

Tyson Retains Title With TKO in 5th

Frank Bruno, left, spent most of the night on the defensive as Mike Tyson, the heavyweight champion, hammered away in Las Vegas on Saturday. The referee stopped the bout 2:55 into round 5 just as Bruno's manager was about to throw in the towel, giving Tyson his 32d knockout. But "vintage Mike Tyson" it was not, the champion conceded. "I wish I had had more time to train," he said. "I could have used more time to train psychologically. But I had to deal with what I had." Page 13.

Tower Promises He'll Forswear Alcohol

By Bill McAllister
Washington Post Service

WASHINGTON — John G. Tower, struggling to save his nomination as defense secretary from suggestions that he has a drinking problem, swore Sunday that he would not touch alcohol if confirmed by the Senate.

The former Texas senator, beginning an aggressive campaign to "wash aside Democratic doubts about his competence, gave no indication that he might withdraw his nomination, saying that he would press his uphill fight for Senate confirmation because President George Bush wanted to proceed to a full Senate vote.

Mr. Tower's chief opponent, Senator Sam Nunn, Democrat of Georgia and chairman of the Senate Armed Services Committee, discussed the nomination during an appearance on a television news program. He called Mr. Tower unfit to be the nation's defense chief.

Minutes later, on another program, Mr. Tower maintained that he was fit and insisted that his pledge to abstain from alcohol should remove any doubts about his sobriety.

"Let me state that I have never been an alcoholic nor depended on alcohol," Mr. Tower said on an ABC television program.

any fears or doubts on this matter, I hereby swear that if confirmed, during the course of my tenure as secretary of defense, I will not consume a beverage of alcohol of any type or form, including wine, beer or spirits of any kind."

Mr. Nunn, who led the Armed Services Committee to vote against the Tower nomination 11 to 9 along party lines Thursday, has continued to express concerns about Mr. Tower's drinking. He said on an NBC program that he had been unable to find a clear "breaking point" between the present and the period in the 1970s during which Mr. Tower has acknowledged he had a drinking problem.

Even if he had, Mr. Nunn said, he and other senators had another serious reservation: Mr. Tower's lucrative consulting work for major defense contractors immediately after he resigned as the Reagan administration's chief strategic arms negotiator in Geneva.

"Right after he got through" in Geneva, Mr. Nunn said, "he immediately went to work for defense contractors."

"In his words, he provided them information on the implications of our arms-control negotiations on future product development."

"If someone knows for instance that the president might be willing to see TOWER, Page 5

An East European Toboggan

As Moscow's Grip Eases, the Balance of Power Skids

By James M. Markham
New York Times Service

BONN — West European policymakers and academic specialists believe that momentous changes are unfolding in Eastern Europe that ultimately could undermine the Soviet Union's hold on several nations and recast the Continent's balance of power.

As the Solidarity trade union movement revives in Poland, and as Hungary tips its prudent toward a multiparty system, foreign policy experts from London to Rome are asking whether the rigid ideological division of Europe may be giving way to a much more fluid, fragmented and potentially more dangerous arrangement.

Sensing that Eastern Europe could conceivably become the major policy challenge of the remainder of the century, Britain and France have redoubled their diplomatic involvement, there. But officials in various capitals acknowledge that only West Germany has a fully developed strategy for Eastern Europe — one that puts a premium on encouraging evolutionary change and avoiding upheaval.

At seminars and in foreign ministries in Western Europe, the talk is of the decay of the Soviet Union's western empire that could, in optimistic scenarios, lead to the "Finlandization" of swathes of Eastern Europe.

Once a pejorative shorthand for what might happen to Western Europe under Soviet blackmail, "Finlandization" now suggests the benign neutralization of a nation like Hungary, which might gingerly slip out of the Soviet sphere of influence and align itself with Austria.

Noting the movement of several Communist states toward deeper economic and political ties with the West, a senior adviser to President Francois Mitterrand in Paris predicted that, if the trend continued for another decade, "Eastern Europe will leave the framework of Yalta" — a reference to the 1945 agree-

ment that sealed the postwar division of the continent. "But Eastern Europe," he warned, "could become a zone of instability and risk. I think they all are launched on a toboggan and they do not know where they are going to end up."

Explosions have punctuated the postwar history of Eastern Europe — from the anti-Communist riots in East Berlin in 1953 to the Solidarity upheaval in Poland in 1980 — but specialists say the combination of severe economic difficulties and the erosion of Communist parties could produce much more perilous crises. Imre Pozsgay, a Hungarian Politburo member, has said that Eastern Europe is the world's "most extensive crisis zone."

Although the Soviet Union under Mikhail S. Gorbachev has tolerated and encouraged political experimentation in Eastern

Europe, an overtly anti-Communist or anti-Soviet rebellion in one or several countries could, in the view of many analysts, provoke a military crackdown that might set back East-West relations for a long time.

Moreover, Mr. Gorbachev's own efforts at reviving the Soviet economy could be dealt a stunning blow if more daring approaches produce economic chaos in Hungary or Poland. Poland and Hungary have gone much further than other Warsaw Pact states in opening their political systems, but these two pioneer countries are also burdened by staggering foreign debts.

A further risk frequently cited is that in striving to accommodate and influence change in Eastern Europe, NATO could subject itself to severe strain. The deepest concerns focus on

In Warsaw and Budapest, Harsher Words for Prague

By Jackson Diehl
Washington Post Service

WARSAW — Poland and Hungary, the two East European nations most aggressively pursuing political and economic liberalization, are becoming increasingly open in their criticism of Czechoslovakia as its hard-line regime cracks down on dissent.

In what some saw as a bold gesture, Prime Minister Mieczyslaw Rakowski attended a performance Saturday of two plays by Vaclav Havel, the Czechoslovak writer and opposition leader who was sentenced to nine months in prison last week on political charges. Mr. Rakowski left the event before a prominent Polish dissident, Adam Michnik, read a statement condemning Mr. Havel's imprisonment. But his appearance at the performance, the first of Mr. Havel's plays allowed here since 1981, represented a strong indirect protest by the Communist leadership against a trial that has been seen as a defiant repudiation of the Soviet bloc revisionist movement.

The Polish reaction came several weeks after Janos Berecz, a Hungarian Politburo member, criticized Czechoslovak policies after a visit to Prague. He said that in terms of tolerating dissent, his party's opinions "unconditionally and unambiguously differ" from those of the Czechoslovak leadership of Milos Jakes, which he accused of fearing "any unplanned or unapproved demonstration or gathering."

The official signals, which have been accompanied by loud and uncensored protests of the Czechoslovak repression by independent

Khomeini Warms to Moscow

Kremlin Is Urged To Help Battle 'Devilish Acts'

By Alan Cowell
New York Times Service

CAIRO — Ayatollah Ruhollah Khomeini, Iran's spiritual leader, sought closer ties with the Soviet Union on Sunday to counter what he termed "devilish acts of the West" over the novel "The Satanic Verses."

At the same time, 100 of the 270 members of the Iranian Majlis, or consultative assembly, urged a total break with Britain in the diplomatic confrontation arising from the ayatollah's demand for the assassination of the author of the book, Salman Rushdie of Britain. The ayatollah, and many other Muslims, call the book blasphemous.

According to Tehran radio, Ayatollah Khomeini ordered the Soviet leader, Mikhail S. Gorbachev, to find solutions to his problems in the Islamic faith, saying he wished to "open for Mr. Gorbachev a window to a great world."

"That is the world after death, which is the eternal one," he said. He spoke during the visit to Iran by the Soviet foreign minister,

The British Consulate in Karachi is damaged by a bomb. Page 4.

Eduard A. Shevardnadze, the first Soviet official of his rank to visit Tehran since the 1979 revolution. Britain had responded to the call for the assassination of Mr. Rushdie by closing its embassy in Tehran, after having reopened it in December, and ordering two Iranian diplomats in London to leave the country.

According to Iranian accounts, pressure for the severance of all relations with Britain is increasing. Tehran radio said Sunday that thousands of demonstrators in the Islamic holy city of Qum chanted slogans declaring their readiness to kill Mr. Rushdie.

The interior minister, Ali Akbar Mohtashemi, was quoted by the IRNA news agency as urging Prime Minister Mir Hussein Mousavi to break with Britain and spurn those Western countries that supported the British government in the Rushdie affair.

Western diplomats said the deepening crisis with Britain had pushed Tehran back toward the isolation from which it began to emerge after the cease-fire in August in its eight-year war with Iraq.

In concert with Britain, other members of the European Community also withdrew their senior envoys from Tehran, effectively freezing a tentative opening to the West.

Since the 1979 revolution, the ayatollah has displayed hostility toward the Soviet Union in a policy rejecting the hegemony of both East and West.

Iran, moreover, has given sanctuary to some fundamentalist Afghan guerrilla groups fighting Moscow's occupation of Afghanistan. In a speech last week, the ayatollah called Moscow and its East bloc allies aggressors.

The Soviet official has used his five-nation Mideast tour to prod Moscow to the forefront of Middle East diplomacy. He has said the Soviet Union wants to press for progress in Iran-Iraq peace negotiations and for an international conference to settle the Arab-Israeli conflict.

According to Tehran radio, Mr. Shevardnadze urged closer ties with Iran, with which the Soviet Union shares a long border. The ayatollah was quoted as replying, "Of course, we want relations to develop, too." The Iranian leader urged cooperation between Iran and Moscow to combat "devilish acts of the West."

There was no mention in the radio report of a British request to Mr. Shevardnadze to intercede with the ayatollah in the Rushdie case.

While Moscow was a principal supplier of arms to Iraq during the war, it also supported Iranian demands for the withdrawal of foreign fleets from the Gulf.

Klosk

Greece to Vote On a U.S. Pact

ATHENS (UPI) — Prime Minister Andreas Papandreu said Sunday he would hold a referendum to test any accord reached between his government and the United States permitting U.S. military bases to remain on Greek soil. No new agreement is likely to be signed until after the elections set for June, observers said. The current agreement expired in December.

MONDAY Q&A



Jiri Pelikan, a former Czechoslovak dissident now living in Italy, talks about the prospects for change in Prague. Page 2.

General News

An inquiry into what caused a hole killing nine on United Airlines Flight 811 focused on a cargo door. Page 4.

Business/Finance

Orders for U.S.-made machine tools fell 27.1 percent in January. Page 7.

Crossword

Page 5.

Meeting Bush, Zhao Denounces Dissent

By David Hoffman
Washington Post Service

BEIJING — The Chinese Communist Party leader, Zhao Ziyang, denounced political dissidents in a meeting with President George Bush on Sunday, and China's best-known dissident was subsequently prevented by authorities from attending a dinner to which he had been invited by the president.

The incidents focused renewed attention on the sensitive issue of dissent and human rights in China as Mr. Bush wound up two days of meetings with China's top leaders. According to White House officials, Mr. Bush did not bring up the topic of human rights in any of the meetings, although he had been urged to do so by human rights advocates.

When Mr. Zhao told Mr. Bush that dissidents were threatening economic changes in China, the president did not respond, according to White House officials. Rather, he left the meeting hurriedly because he was late for a scheduled interview on China's national television, the officials said. Mr. Bush's motorcade raced through Beijing to reach the television studio just minutes before he went on the air.

In the broadcast, Mr. Bush hailed "a worldwide movement toward greater freedom — freedom of human creativity and freedom of economic opportunity."

Even as Mr. Bush spoke, however, Fang Lizhi, 53, a prominent astrophysicist and human rights activist, was being prevented by Chinese authorities from reaching the Bush dinner.

A spokesman for the Chinese Foreign Ministry, Li Zhaoxing, said Mr. Zhao denounced political dissidents in his meeting with Mr. Bush, telling the president that

some "blame the difficulties in the reform of the economic system on political reasons."

"They call for the introduction of the multiparty politics and the parliament politics of the Western countries," Mr. Li said. "Largely speaking, they will make the reform fail."

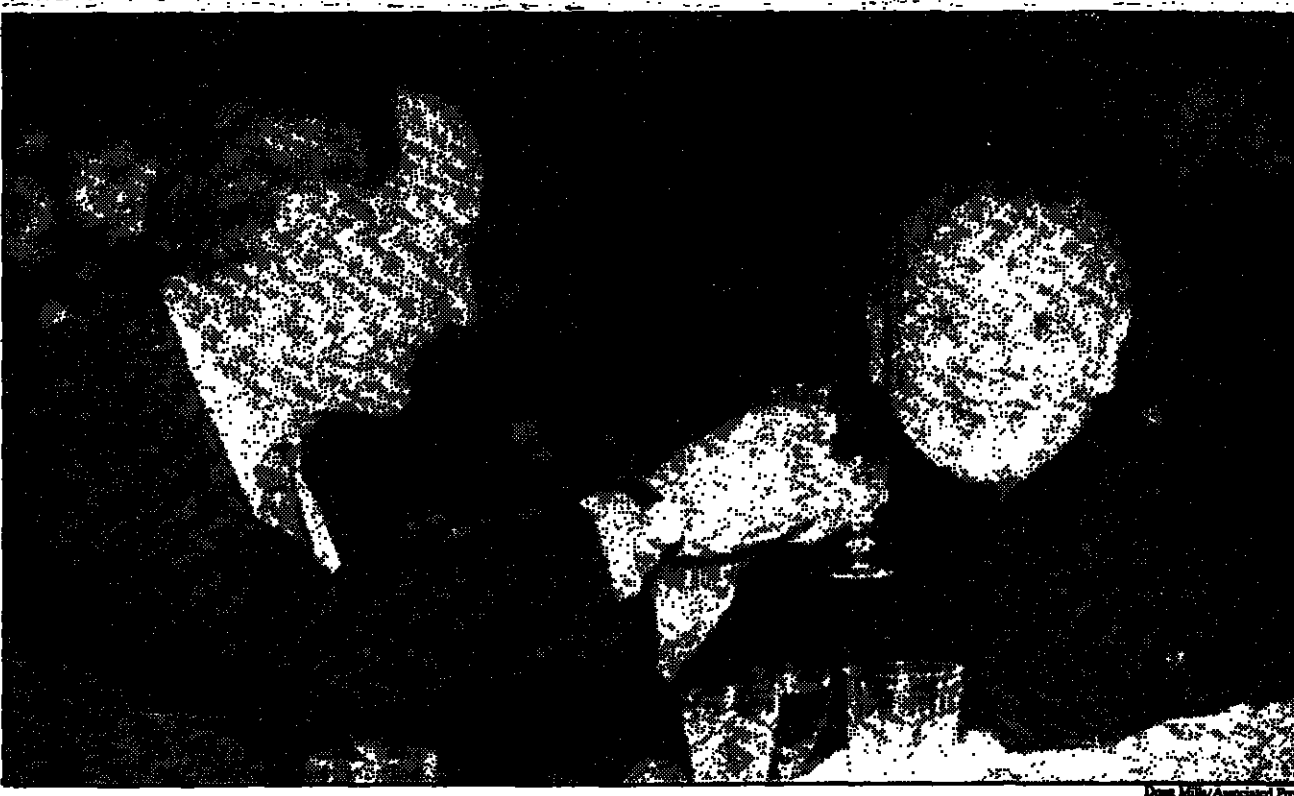
Mr. Bush had referred to "individual rights" in a toast to China's president, Yang Shangkun, on Saturday, but did not elaborate. Before the president's departure from Washington, 41 members of the congressional Human Rights Caucus had sent him a letter outlining concerns they said should be raised in China, including the case of Mr. Fang, who was denied permission in October to travel to the United States.

The Fang incident Sunday night appeared to throw a pall over Mr. Bush's otherwise upbeat visit, in which he sought to celebrate the stability of Chinese-American ties and encourage economic change.

Earlier Sunday, Mr. Bush urged China's leaders to refrain from exporting missile technology to the Third World, but received only a general assurance that China would "act responsibly," according to a White House official.

Mr. Bush found that his Chinese hosts were eager to talk about Mikhail S. Gorbachev, the Soviet leader, who will visit China in May for the first Chinese-Soviet summit meeting in three decades.

Deng Xiaoping, the senior Chinese leader, devoted an hour to what participants said was a lecture to Mr. Bush about the history of Chinese-Soviet tensions. During the discussions, Mr. Deng suggested that many difficult hurdles had to be passed before a full rapprochement could take place.



President Bush exchanging a toast Sunday with Deng Xiaoping, the senior Chinese leader, at the Great Hall of the People in Beijing.

Bush Wins Approval From Americans in Poll

By Maureen Dowd
New York Times Service

NEW YORK — President George Bush may be tangled in problems with appointments and ethics in Washington, but outside the capital, a majority of Americans said they liked the way he was doing his job, according to a New York Times-CBS News poll. Only a small minority said they disapproved.

Mr. Bush received a 61 percent approval rating for his first month in office, higher than the 55 percent President Ronald Reagan won in the Gallup Poll for his presidential debut.

Only 9 percent of those surveyed said they disapproved of the Bush administration, half as many as said that of Mr. Reagan after his first month in office.

Negative opinions of Mr. Bush were also much less prevalent than those recorded for Mr. Reagan when he left office last month. At that time, 26 percent said they disapproved of Mr. Reagan and 68 percent approved. Both polls had margins of sampling error of plus or minus three percentage points.

Those groups that expressed the highest levels of dissatisfaction with Mr. Reagan when he left office — women, blacks, the elderly,

Democrats and the poor — do not regard Mr. Bush as unfavorably.

Instead, the poll of 1,233 adults on Feb. 18 and 19 and later follow-up interviews showed that Americans seem to be reserving judgment on the president to see if he fulfilled his promises to help the disadvantaged and disfranchised and to work for bipartisan cooperation.

For example, while 52 percent of blacks disapproved of Mr. Reagan last month and 40 percent approved, only 16 percent disapproved of Mr. Bush in the new poll, while 47 percent approved.

"He's a wait-and-see thing," said Jesse White, a nurse in Kissimmee,

Florida. As a black, Ms. White said, she was "shocked" to hear Mr. Bush's pledge to fight bigotry.

"As vice president he was a mouse, I didn't like him at all," she said. "But then he began talking and he doesn't seem like a mouthpiece, like Reagan."

The poll was completed before the Senate Armed Services Committee voted Thursday against Mr. Bush's nomination of John G. Tower to be secretary of defense and included no questions about Mr. Tower. But the unsystematic, follow-up interviews suggested that the Tower issue made little difference yet in opinions of Mr. Bush.

For Many Asian Governments, Satellite TV Is an Unwelcome Foreign Intrusion

By Michael Richardson
International Herald Tribune

SINGAPORE — Direct television broadcasting via satellite into private homes is making substantial inroads into Asia for the first time, and some government officials say they are worried.

With the widespread production and use of inexpensive satellite dishes, the planned launching of a major telecommunications satellite next year and the rapid advances of other technology, it is becoming increasingly difficult for Asian governments to deny viewers direct access to foreign satellite broadcasts.

This is forcing governments to review how they might assert control over the new, and sometimes unwelcome, foreign information and influence. Officials say they fear that the growing

availability of satellite TV programs beamed by foreign companies will promote cultural subversion.

Direct broadcast satellite TV may contain "radical political ideas, unacceptable cultural values or fanatical religious influences," the Malaysian director-general of telecommunications, Mohamed Ali Yusof, said in an interview.

Malaysia is a multireligious and multiracial society, Mr. Ali said, that needs to be able to "filter out" divisive external influences.

Mr. Ali was interviewed Feb. 20 during the opening session of an international telecommunications conference in Singapore.

The Indonesian government recently refused an Australian company permission to beam its television programs into the country via an Indonesian satellite. The Emerald Network company of Darwin said the programs

would be mainly educational. But the Indonesian information minister said the programs might contain political propaganda and harm relations between Indonesia and Australia.

Officials in Taiwan said recently that they were worried about TV programs received from a Japanese broadcast satellite. These could be increasing Japanese influence in Taiwan, they said, and perhaps providing Taiwanese viewers with uncensored reports of life in China.

The prime minister of Singapore, Lee Kuan Yew, has questioned whether Asian countries can withstand the "massive impact" of TV programs meant for Western consumers.

"Hitherto, radio and TV have been key instruments for nation-building in developing countries," Mr. Lee said, "and not a

means to capture consumer advertisers as in America."

While acknowledging that these apprehensions are genuine, Western diplomats said some East Asian governments also feared that their powers of social and political control would erode if citizens had greater freedom of choice.

Experts at the Singapore conference said technology advances were making it increasingly difficult to deny access to foreign satellite broadcasts, even in countries where governments traditionally keep control over the media.

These include China and other Communist countries in Asia, as well as a number of non-Communist ones, among them South Korea, Taiwan, Indonesia, Malaysia and Singapore. Asia has lagged behind North America and Europe in using satellites to distribute TV

programs, mainly because of a shortage of high-power satellite transmitters.

In East Asia and the Western Pacific, only Japan, Indonesia and Australia operate communications satellites.

But this will change next year with the advent of a satellite designed to provide TV, telephone and data services to an area of Asia with more than two billion inhabitants.

The satellite, owned by a Hong Kong-based business consortium, is to be launched in April 1990 by a Chinese Long March-3 rocket.

One of Hong Kong's largest companies and a partner in the \$200 million satellite venture, Hutchison Telecommunications Ltd., plans to use some of the satellite channels for direct broadcasting of TV programs, mainly in Chinese.

The Hutchison managing director, Rich-

ard J. Siemens, said in Singapore last week that the entertainment, sports and news programs would have wide appeal to Chinese throughout Asia.

They would also appeal, he said, to viewers culturally influenced by China, in countries such as Thailand, and could be dubbed in the languages of those countries.

Mr. Siemens said Hutchison was a commercial organization with no "political aspirations or leanings."

He said it had been proved that the private sector could produce better entertainment than state-controlled media could. Analysts said that Hutchison, in planning to beam TV to a wide area of Asia to attract advertisers, was anticipating that governments would either permit, or be unable to prevent, direct reception by privately owned receiving antennas.

Former Czech Dissident Sees Hope in 'Civic Consciousness'

Jiri Pelikan, a former member of the Central Committee of the Communist Party in Czechoslovakia and head of that country's radio and television system before the 1968 Soviet invasion, discussed events in his homeland with Barry James of the International Herald Tribune. Following the invasion, Mr. Pelikan moved to Italy, became an Italian citizen and in 1979 was elected a Socialist member of the European Parliament.

Q. What's going on in Czechoslovakia right now?

A. The most important development is a revival of civic consciousness among the population, particularly among young people who understand they have to fight for their rights. You only have to look at the demonstrations last year and earlier this year. Part of this development is the number of independent ecological, religious and other kinds of movement — not just the classical Charter 77. On the

other hand, the present leadership, which is basically the same as that imposed 20 years ago by the Soviet intervention, is aware that it cannot enjoy any real support among the population and therefore it continues to govern through repression.

Q. Would you define the heavy sentence last week on the playwright Vaclav Havel as an indication of a harder line to come?

A. I think it is a sign of desperation. The

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regime is adopting a hard line against Vaclav Havel and other people to whom citizens feel they should not continue to oppose the regime. But this cannot work. In my opinion, there is a dispute within the Czechoslovak Communist Party. Whereas the older members are maintaining this hard line, the younger people are trying to adapt to the Gorbachev line and get together a platform for the forthcoming congress of the party at the beginning of 1990.

Q. Milos Jakes, the new party boss, seems even more hard-line than the man he replaced, Gustav Husak. Do you see any signs he may ease off and adopt the Gorbachev line?

A. If Jakes thought Gorbachev could come through, he would try to adapt himself to the Gorbachev line, and would then remove anyone who was against him.

Q. What is the economic situation in Czechoslovakia like?

A. It's much better than in Poland or the Soviet Union, not to speak of Romania or Bulgaria. There is still a quite good living standard for most of the population.

Q. Is this a reason why the government feels it can ignore the signals coming out of Moscow?

A. Yes. The present leading group argues, "Look — those countries that have adopted economic reforms, like Poland, Hungary or Yugoslavia, are getting into all sorts of economic and social difficulties. Therefore, we can better guarantee the

stability of the country." I must say this argument has some effect on part of the population because people are afraid to get into economic troubles.

Q. What, apart from 20 years, is the difference between Soviet perestroika, or restructuring, and the Prague Spring?

A. The difference is deep in that Czechoslovakia is a country with democratic traditions that do not exist in the Soviet Union. On the other hand, both share the basic aim of plurality in a Socialist society, in which the Communist Party keeps its leading role. This should be assured, however, not by Stalinist dictatorial methods but by convincing people.

Q. When you were elected to the European Parliament you called for a strong, democratic and independent Europe. Mikhail S. Gorbachev is saying similar things. Does he mean what you mean?

A. Not exactly. The common European house about which Mikhail Gorbachev speaks means accepting the present division of Europe. I would say that the countries of Central and Eastern Europe

would prefer first of all to have their own houses, because they don't like to live somewhere where someone tells them what kind of television they can watch or what kind of friends they can receive. Only once they have the sense of living in their own houses can we agree on building some kind of common roof. I do think the reforms in the Soviet Union are creating favorable conditions for overcoming the division of Europe although the process will take many years.

Q. As a member of the European parliament, do you think the European Community is effectively promoting an end to East-West division?

A. I think there is a danger that the promotion of the single European market in 1992 may actually deepen the division, because of the dynamic economic development in the EC and the broader democracy there compared to the Eastern countries. Nevertheless, I believe the EC should try to become an attractive example to the other countries of Europe by economic development combined with social justice and broader democracy.

WORLD BRIEFS

Israel Returns Taba Resort to Egypt

JERUSALEM (WP) — Israel and Egypt, ending a bitter war over a dispute that came to symbolize the cold state of relations between the two former enemies, signed an agreement Sunday returning the Taba resort to Egyptian control by March 15.

The agreement was approved earlier in the day by Israel's ruling cabinet with only one dissenting vote, that of Ariel Sharon, industry minister. Prime Minister Yitzhak Rabin said Foreign Minister Moshe Arens cited the agreement as evidence of Israel's good faith in dealing with friendly Arab states.

The two countries signed four agreements at a ceremony at the Sotom Hotel in Taba: the first turned over the hotel for a reported \$37 million; the second and third provided for the return of the resort to Egypt; the fourth stipulated that Israel will provide the enclave with water, electricity and phone lines; the third provides free access to the site for Israeli with valid passports and the fourth reaffirms Egyptian sovereignty over the area.

Kosovo Yields to Demands by Miners

BELGRADE (UPI) — Communist Party leaders gave in on Sunday to demands by 1,200 ethnic Albanian miners who had been on strike for seven days, an official in Kosovo Province said.

Kamran Avditi, a Kosovo Information Ministry official, said the miners' demands, which included a 10 percent wage increase and a 10 percent reduction in working hours, were met. He said the miners' strike had cost the province \$10 million in lost production.

The miners, barricaded in an underground lead mine, had demanded the removal of the officials, who they said supported Serbian interests. They also protested proposed constitutional changes that would void some of the province's autonomy to Serbia.

9 Reported Dead in Contra Aid Crash

TEGUCIGALPA, Honduras (WP) — A Honduran cargo plane chartered by U.S. humanitarian aid to the Nicaraguan rebels crashed Saturday as it returned from a supply run, apparently killing all nine aboard, according to U.S. and Honduran sources.

Honduran rescue crews spent most of Sunday trying to reach the wreckage on a mountain in a national park about 22 kilometers (17 miles) north of Tegucigalpa. The cause of the crash was not known.

A spokesman for the U.S. Embassy said the plane crashed at about 21 kilometers east of Tegucigalpa along the Coco River, the waterway that forms part of Honduras' border with Nicaragua. A Nicaraguan source said the plane supplied contra fighters in the Bocay area, along with about 3,000 civilians.

Peru Rebels Besiege City, Villages

LIMA (Reuters) — Marxist guerrillas holding a city of 45,000 people in the Peruvian Andes under siege extended their control to three nearby villages, the police said Sunday.

Shining Path guerrillas blocked all roads to the city of Azangaro with ditches and rocks Friday night and early Saturday, cutting it off from police reinforcements. On Saturday, the guerrillas cut off access to the villages of Pacana, Santiago de Papaya and Arapa, and blew up a bridge near Azangaro, the police said.

The mayor of Azangaro, Marcelino Pacheco Rosello, said Saturday that families were fleeing the city, and the police warned travelers to stay away from the area. Six policemen were wounded in a wave of bombings in Azangaro, a remote town near the Bolivian border, on Friday night and early Saturday.

Rights Issues Force Mexican to Quit

MEXICO CITY (WP) — The intelligence chief of the police department, who has been accused of human rights violations and is wanted in the United States on car-theft charges, has resigned under pressure from the government of President Carlos Salinas de Gortari to pursue a campaign to improve Mexico's human rights image, government officials said.

The resignation of Miguel Nazar Haro, 60, the head of a newly created police intelligence Directorate in the capital, coincided with Mr. Salinas' announcement that he planned to pardon more than 400 prisoners held for "political and social" offenses and to change the penal code. The president's office announced the amnesty program, although the Mexican government still does not acknowledge holding political prisoners.

Nevertheless, the move was seen as part of an effort to atone for alleged abuses, such as political killings, disappearances and torture.

For the Record

General Vladimir Lukin of the Soviet Union has been appointed chief of staff of the Warsaw Pact forces, replacing General Anatoli I. Gribkov, the army newspaper Krasnaya Zvezda reported.

A black lawyer will head the U.S. Justice Department's civil rights division. He is William Lucas, of Detroit, a former New York City police officer who was a nonconservative Republican candidate for governor of Michigan in 1986. His views on civil rights enforcement have drawn criticism from black and other minority groups. (NYT)

TRAVEL UPDATE

Yosemite will try to salvage its tourism industry, damaged by years of political tension, with a full-scale campaign plugging the South Pacific island republic's tropical scenery, coral-studded waters for scuba diving and good fishing. It will start in April. (APF)

Greek airports were closed Sunday night and will be closed Monday night due to a 44-hour strike by civil aviation employees. The closures were set from 7:30 P.M. to 7:30 A.M., and delays in daytime flights were also expected Monday. The Federation of Civil Aviation Employees Unions ordered its 2,000 members to strike to press the government to honor a collective wage agreement. (APF)

A slowdown by Italian customs officials caused problems at Rome's Fiumicino airport Sunday, although traffic was close to normal at other border stations after customs officials suspended their work-to-rule order. Delays in boarding and arrivals at the Rome airport occurred after workers decided not to go along with their union's agreement. (APF)

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Dominican Republic.
TUESDAY: Guinea-Bissau.
WEDNESDAY: Paraguay, South Korea.
THURSDAY: Burma, Ethiopia, Libya, Morocco.
FRIDAY: Bulgaria, Malawi, Morocco, Sudan.
SUNDAY: Indonesia, Jordan, Kuwait.

Source: Morgan Guaranty Trust Co., Reuters.

WEATHER

EUROPE				ASIA			
	HIGH	LOW	WIND		HIGH	LOW	WIND
Algeria	64	48	W	Bangkok	84	72	SE
Amsterdam	52	40	W	Beijing	64	52	SE
Antwerp	52	40	W	Bombay	84	72	SE
Athens	64	52	W	Buenos Aires	72	60	SE
Berlin	52	40	W	Cairo	72	60	SE
Bombay	84	72	SE	Calcutta	84	72	SE
Buenos Aires	72	60	SE	Chongqing	64	52	SE
Calcutta	84	72	SE	Dhaka	84	72	SE
Chongqing	64	52	SE	Hankow	64	52	SE
Dhaka	84	72	SE	Harbin	52	40	W
Hankow	64	52	SE	Hong Kong	84	72	SE
Harbin	52	40	W	Kobe	64	52	SE
Hong Kong	84	72	SE	London	52	40	W
Kobe	64	52	SE	Manila	84	72	SE
London	52	40	W	Medan	84	72	SE
Manila	84	72	SE	Osaka	64	52	SE
Medan	84	72	SE	Shanghai	64	52	SE
Osaka	64	52	SE	Singapore	84	72	SE
Shanghai	64	52	SE	Taipei	84	72	SE
Singapore	84	72	SE	Tokyo	64	52	SE
Taipei	84	72	SE				
Tokyo	64	52	SE				

Raucously, Soviet Lawyers Make a Case for Independence

By John F. Burns

MOSCOW — When 2,000 lawyers voted to form the first Soviet bar association, optimists described it as a step toward ending the professional nightmare that attorneys have faced here since the Bolshevik Revolution: the risk that a counsel pressing a case too energetically could end up sharing his client's fate in prison, or worse.

But speakers who marched to a platform dominated by a bust of the most famous of all Soviet lawyers, Lenin, had little time Sunday to become enthusiastic about the broader rights that the newly established Soviet Advocates'

Union might wrest from President Mikhail S. Gorbachev, who pledged in June to place the country under the rule of law.

Instead of professional collegiality, the mood at the two-day founding congress was one of bitterness and suspicion. Seven decades of Communist rule have created a deep rift between those lawyers who have preferred career to conscience, and the others.

Cries of "Provocateur!" "Boogymaker!" and "Judas!" were shouted at conservative delegates who pressed for changes to the founding charter that others felt would turn the new association into a tool of the Ministry of Justice.

Indignant advocates of change compared the social status of lawyers to that of shoe repairers, and described how defense lawyers appearing before the Supreme Court in Moscow have to tramp around the city pleading for space in third-rate hotels because nobody in authority was prepared to help them out.

Several speakers alluded to the status of American lawyers, and described how their work is enhanced by technology — computers, fax machines and proper law libraries — of which Soviet lawyers can only dream.

But the most common reference point was Stalin, who destroyed the law as a force in Soviet society.

"Let us remember what we are here for," said Lyubov B. Kolomenskaya, a young lawyer from Kalinin, her voice straining. "We are here to insure that this country, this wonderful country, will never again have to live through the repressions of the 1930s."

Mr. Gorbachev's pledges, however, have lost momentum in the bureaucracy. His June speech left details to be filled in by the Justice Ministry, a secretive organization that decisively influences many of the nation's 100,000 lawyers.

The Justice Ministry wanted a unified organization that would pool all state-employed lawyers, a strong majority, with the 27,000 advocates, largely self-employed

counsel who act as defense counsel and litigators.

When the advocates gathered anew on Friday to establish their association, a fight was assured. Working through the advocates' collegiums in various cities and regions — nominally independent bodies that act as conduits for Justice Ministry influence — officials had arranged for 38 of the 40 seats on the executive committee to go to collegium nominees. Among floor delegates, a more independent-minded attitude predominated.

Among other things, speakers urged that counsel be given access to defendants on arrest, instead of days and sometimes weeks later, that defense counsel be given the right to subpoena witnesses and to gather evidence, a rule that is currently circumscribed, and that the attorney-client privilege not be breached by prosecutors who threaten advocates for disclosure of clients' confidences.

But at its broadest, what many delegates appeared to want from the new association was a guarantee against any state meddling with justice, and an acceptance of the inviolable role of counsel.

"What we want," said Andrei M. Makarov, a 35-year-old advocate who is one of Moscow's most uninhibited young lawyers, "is for the advocate to be able to concentrate during trial on his client's fate, not on his own."

Stagnation in U.S.-PLO Dialogue Widens Rifts Among Area Factions

By Ihsan A. Hijazi

BEIRUT — Lack of progress in the dialogue between the United States and the Palestine Liberation Organization, which started in December, is causing disappointment among guerrilla leaders and is widening a rift among them.

Saleh Khalaf, the most senior aide to the PLO chairman, Yasser Arafat, has said the Bush administration is "dragging its feet" in formulating a policy on relations with the Palestinians. In widely publicized remarks, Mr. Khalaf, also known as Abu Jihad, accused Washington of wanting to wrest "additional concessions" from the PLO.

Two hard-line guerrilla groups within the PLO have publicly accused Mr. Arafat of offering capitulations to maintain the newly created link with the Americans.

The United States agreed to talk to the PLO after Mr. Arafat renounced terrorism at the end of last year and explicitly acknowledged Israel's right to exist.

Mr. Khalaf made his statements at PLO headquarters in Tunis and received front-page coverage in most Beirut newspapers.

In separate statements made public in Beirut last week, the two

groups, which oppose Mr. Arafat's leadership of the PLO, lashed out at him for seeking a cease-fire with Israel in southern Lebanon and for creating a common market consisting of a Palestinian state, Jordan and Israel.

Mr. Arafat has said he is engaged in indirect talks with Israel to reach a truce in southern Lebanon, which has for years provided a launching ground for guerrilla incursions into northern Israel.

The Popular Front for the Liberation of Palestine said it was determined to keep up the armed struggle against Israel regardless of what the PLO chairman said. Five guerrillas — four from that group and one from the Palestine Liberation Front, also a PLO member — were killed Feb. 5 in a battle with Israeli troops inside Israel's "security zone" in southern Lebanon. The Israeli government called the incident a violation of Mr. Arafat's promise to end terrorism and said Washington should end its dialogue with the PLO.

The Democratic Front for the Liberation of Palestine described Mr. Arafat's latest remarks as "capitulationist." Most PLO factions also condemned the United States for its veto earlier this month of a UN Security Council resolution

that would have deplored Israeli efforts to suppress the Palestinian uprising in the occupied West Bank and Gaza Strip.

Private Ports Closed

In the first such measures since the Lebanese civil war broke out nearly 14 years ago, authorities in Beirut and Moslem areas of Beirut are moving to close ports operated by private militias. The New York Times reported Sunday.

The Christian and Moslem authorities said private port operations had taken more than half of customs revenues and made the Mediterranean shoreline a haven for smugglers.

The Christian militia known as the Lebanese Forces has turned a Beirut harbor pier over to the port authority. The group also dismantled a roadblock at the Christian coastal village of Barcha, where gunmen had collected illegitimate taxes on goods transported between the Moslem and Christian sectors.

The acting prime minister of Moslem West Beirut, Salim Hoss, decided Thursday to adopt similar measures along the Moslem section of the Lebanese coast, his office announced.



ANOTHER DAY OF CONFLICT — A Palestinian taking aim at Israeli authorities in the West Bank during one of several clashes Sunday. In the Gaza Strip, Israeli troops shot and killed a 20-year-old protester and have arrested 150 since a soldier was killed Friday when a concrete block was dropped on his head. In Jerusalem, a Palestinian shot and wounded a hospital official.

UNESCO Chief Sets Major Changes

By Ethan Schwartz

WASHINGTON — The director general of UNESCO, saying that he hopes the United States will rejoin the organization, will unveil a major six-year plan of change that he says will wean it away from the projects that had mired the organization under its previous chief.

The plan, outlined by Federico Mayor Zaragoza of Barcelona, UNESCO's chief, has been reviewed by State Department officials and other Americans. They say it would, if adopted by member states of the United Nations Educational, Scientific and Cultural Organization, take effect in January and mark a dramatic change of course for the agency and would eliminate many of the programs opposed by Western countries.

In an interview Friday, Mr. Mayor said he hoped the plan would return UNESCO to its original mandate as a technical agency

charged with tackling educational, cultural and scientific issues.

The United States withdrew from UNESCO and suspended its nearly \$50 million annual contribution in December 1984, largely over a dispute on communications and other UNESCO programs deemed inefficient and overly politicized. Britain followed a year later.

Mr. Mayor criticized UNESCO-backed Soviet and Third World efforts to draft plans under its previous chief, Amadou Mahtar Mbow of Senegal, for a "New World Information and Communications Order," an idea many Western groups equated with government press controls and other restrictions on free speech.

"UNESCO must guarantee the free flow of information-full stop," said Mr. Mayor. He said plans for the new information order "no longer exist" at UNESCO.

In testimony to the House Foreign Affairs Committee earlier this

month, Secretary of State James A. Baker 3d said there "hadn't been nearly enough" change, adding it would be "premature for the U.S. to decide to rejoin."

But an American diplomat who has studied the draft of the changes said of Mr. Mayor, "He's definitely on the right track." Leonard Sussman, a 1983 U.S. delegate to UNESCO and a harsh critic of UNESCO under Mr. Mbow, said the plan would mark a "distinct, revolutionary change" for the organization.

Mr. Mayor said UNESCO should concentrate on concrete projects to aid Third World nations and deal with global issues such as the environment, world literacy and the preservation of cultural archives and sites.

The six-year plan would cut from 14 to six the number of major program areas. The plan would also have UNESCO rely more heavily on joint projects with other agencies.

Sudan Moslems Reject Military Demands

United Press International

KHARTOUM, Sudan — Hard-line Moslems in Sudan's governing coalition on Sunday rejected military plans to form a new government and called for a crackdown on foreign aid agencies.

The statement by the fundamentalist National Islamic Front followed a decision Saturday by Prime Minister Sadek Mahdi to meet the demands of the armed forces, which last week gave the government until Monday night to moderate foreign policy, "broaden the base" of government and draft

a peace treaty to end the five-year civil war with rebels in the south.

The front's decision raised doubts that the prime minister would be able to meet the military's demands. His dominant Umma Party had proposed to do so by bringing into the government all parties in parliament, including the Democratic Unionist Party, which left the cabinet in December.

The Democratic Unionist Party favors a cease-fire agreement with the mainly black and Christian rebels that would suspend Islamic law, a plan that is bitterly opposed

by the National Islamic Front. Army checkpoints were established Sunday at routes leading to Khartoum.

The crisis was aggravated by the resignation of 2,761 doctors, who marched to the Health Ministry on Sunday to protest government policies and a lack of drugs and equipment. Similar strikes by doctors and other professionals preceded the military coup that toppled President Gaafar Numeiri in 1985.

A National Islamic Front spokesman, Mohammed Hassan Alamin, said a broadly based cabi-

net "would lack the necessary harmony."

A statement by the front read earlier on the official Radio Omdurman demanded the immediate introduction of compulsory military service, a general mobilization against the rebels, as well as "strict measures" against an unidentified "fifth column" and relief agencies that it said were aiding the rebels.

The attack on Western aid agencies is ominous for groups such as the International Committee of the Red Cross, which are flying in tons of food to stave off starvation.

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SCIENCE FOR LIFE

Inquiry Focuses on Jetliner Cargo Door

HONOLULU — Aviation experts focused Sunday on a forward cargo door of a United Airlines jumbo jet to try to discover what ripped open a hole in the airframe high over the Pacific, sucking out nine people to their deaths.

After the first day of an investigation by the National Transportation Safety Board, a board member, Lee Dickinson, said no evidence had been uncovered to show the 10-foot-by-40-foot (30-meter-by-12-meter) hole was caused by a bomb or metal fatigue.

The Boeing 747, at an altitude of 22,000 feet (6,700 meters) shortly after taking off from Honolulu on Friday for Auckland, New Zealand, lost a large section of fuselage covering from its right side. Nine passengers were sucked through the hole, but 345 other passengers and crew survived.

Mr. Dickinson said he was optimistic the cause of the incident would be discovered. "I say we will figure out what happened, and not only what happened, but why it happened," he said.

He refused to speculate on what else might have caused the hole but said aviation experts on the board would pay special attention to the

lock systems on older 747s. A United spokesman in Chicago, Russell Mack, said that airline had inspected the door lock system on the jet involved in the incident Friday, but had not installed a new part, as required by the end of this year.

With only two engines operable and with the cabin suddenly depressurized, the pilot, Captain David Cronin, 58, and First Officer Thomas Slater, quickly descended and returned to Honolulu.

William Speicher, Pacific division vice president for United, praised Captain Cronin and the rest of the crew for safely landing "under extreme emergency conditions."

Both of the engines suspended from the plane's right wing were shut down. The inboard engine failed, and Mr. Cronin shut down the outboard engine after flight indicators warned of fire. Boeing officials said this was believed to be the first time that a 747 had been flown using only two engines on the same wing.

Mr. Speicher said that the plane had undergone all required maintenance checks, including one on Wednesday. In use since 1970, the jet had 15,000 cycles, a term describing the number of combined takeoffs and landings, and nearly

56,000 flight hours. He said those figures represented normal use.

An Aloha Airlines Boeing 737 that split open over Hawaii last April had registered six times that many takeoffs and landings. The average age of airliners flown by major U.S. carriers is nearly 13 years, according to experts, and the average age of United's 387 planes is just under 15 years.

All of the missing passengers were seated in business class rows near the front of the jetliner, which has two passenger levels. Once outside the cabin, the passengers would have been hit by a blast of air rushing by at 600 mph, a force that could be fatal. In addition to evidence that at least one passenger was swept into a jet engine, it is also possible that the victims could have struck the wing or another section of the plane. Falling into the ocean, which they would have hit at 120 mph, also would have been fatal.

Mexico Bus Crash Kills 24

MEXICO CITY — Twenty-four people died and at least 27 were injured when a bus crashed into a freight train at the village of Santa Teresa in the northern state of Coahuila, authorities said.

Average Age Of Planes, By Airline

WASHINGTON — Following are average ages of some airline fleets from data compiled by Airmark Inc., an appraisal and consulting company that monitors the world's airlines.

The figures are based on the age of the fleets as of July 1, 1988. Aviation experts say that, more than chronological age, the safety of an airliner is determined by the quality of maintenance and the number of flying cycles, or takeoffs and landings, and other factors in its individual history.

U.S. Airlines	
American	10.84
Continental	12.12
Delta	9.48
Eastern	15.11
Northwest	15.47
Pan Am	14.63
Piedmont	10.34
TWA	15.29
USAir	10.11
United	14.87
Other Airlines	
Air Canada	13.00
Air France	9.59
Alitalia	9.94
All Nippon	8.16
British Air	10.02
Cathay	8.80
Japan Air	9.14
KLM	8.69
Lufthansa	7.70
Malaysian	10.27
Singapore	4.50
Thai	6.10



A girl carried a sign vowing death for Salman Rushdie during a protest in a Beirut suburb.

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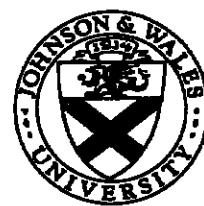
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U.K. Consulate in Karachi Is Bombed

KARACHI, Pakistan — A bomb exploded Sunday at the British Consulate, killing a security guard and damaging the building, the police said.

The police said they suspected the explosion was connected to recent unrest over a book by the British author Salman Rushdie, "The Satanic Verses," which many Muslims consider sacrilegious.

The police said the bomb exploded in the gardenhouse at the main entrance to the British Consulate compound in a residential area of Karachi.

On Feb. 12 in Islamabad, five persons were killed by the police when hundreds of Muslims protesting the publication of the novel in the United States attacked the American cultural center.

Publisher's Gesture

The publisher of "The Satanic Verses" said it would consider canceling the scheduled paperback edition of the book to defuse the controversy, a London newspaper said Sunday.

Mr. Rushdie has been in hiding in Britain since Ayatollah Ruhollah Khomeini, the Iranian leader, called for his execution on Feb. 14. Viking Penguin Inc. published the hardcover edition of "The Satanic Verses" in Britain in September, and the paperback edition is due out in the fall. The Sunday Times of London said Viking Pen-

guin might cancel the paperback version if British Muslims ended their protest and tried to persuade Islamic nations to do the same.

Viking Penguin also said it was willing to consider labeling the remaining unsold hardcover copies with a notice emphasizing that the book was a work of fiction, the newspaper reported.

About 5,000 Muslims burned an effigy of Mr. Rushdie in a Beirut suburb Sunday and chanted death threats against the British author. "The leaders of the West will not be able to protect you!" protesters yelled.

The Beirut demonstration was organized by Hezbollah, the Party

of God, an Iranian-backed group believed to be holding up to 17 Western hostages in Lebanon.

Japan urged Iran to withdraw its death threat against Mr. Rushdie, but said Sunday that it would not join West European nations in recalling its ambassador to Tehran. "I think we can do more by keeping the link with Iran," said Takashi Oada, a Foreign Ministry official.

In New York on Saturday, an estimated 8,000 to 10,000 Muslim demonstrators chanted "Death to Mr. Rushdie," heard speeches and prayed outside the office of Viking Penguin. Several hundred of the demonstrators later marched on the British Consulate.

In Paris, at least 1,000 Muslims marched on Sunday protesting the planned publication of French language edition of the novel.

In Bern, a panel of Swiss cultural experts urged wide dissemination of "The Satanic Verses" to counter Iranian calls for Mr. Rushdie's execution. The panel said international distribution of the work "can and should be one of the most effective replies to Ayatollah Khomeini's revolting attack on the most basic human rights."

In Malaysia, Megat Juid Megat Ayob, deputy home affairs minister, said his country had banned Mr. Rushdie's novel because it is against Islam. (Reuters, AFP, AP)

Author Feeling 'Humiliated Rage'

LONDON — Salman Rushdie says he feels a "curious lethargy" and "stupid, humiliated rage" as he faces a threat of assassination for his novel, "The Satanic Verses."

In a review of the author Philip Roth's autobiography, "The Facts," Mr. Rushdie wrote: "Roth's responses to being so vilified have been very moving, even helpful to this similarly beleaguered writer."

Mr. Roth was attacked by Jews in 1967 over his novel "Portnoy's

Complaint," which many saw as an unsympathetic portrait of Jewish family life.

Mr. Rushdie wrote, "I was able to recognize in myself the curious lethargy, the apathetic terror, that overcomes Roth while he is under attack; to recognize, too, the stupid, humiliated rage that leads him to cry: 'I'll never write about Jews again!'"

"And when the anger passes," Mr. Rushdie said, "he understands that 'the most lasting public exchange of my life constituted

not the end of my imagination's involvement with the Jews, let alone an excommunication, but the real beginning of my catharsis — then there, too, he seems to speak directly, profoundly, not only to, but for me."

The review, which appeared Sunday in the Observer newspaper in Britain, was written just before Mr. Rushdie went into hiding after Ayatollah Khomeini, said he should be killed for blasphemy against Islam.

BLOC: As Moscow's Grip Eases, the East Europe Toboggan Starts to Skid

(Continued from page 1)

West Germany, NATO's European pivot, drawn eastward by the division of Germany and by a growing economic stake in Eastern Europe. Interviews with officials and academic specialists in London, Paris and Bonn caught a widespread feeling that potentially enormous trends in Eastern Europe were accelerating and that only West Germany had a multipronged strategy for dealing with them. In Bonn alone was there a sense that the West could significantly influence events in Eastern Europe, using carrots more frequently than sticks.

"I think what's happening in Hungary and Poland has gone beyond everyone's wildest hopes or expectations," said Timothy Garton Ash, a British writer on Eastern Europe. "The political changes have outpaced the policy. The big question is which way Germany will go."

The debate about Eastern Europe is ultimately a camouflaged debate about the destiny of Germany, where the East-West ideological fault line runs through a nation smoldered by World War II. But West Germany's allies have nothing resembling the dense network of human, cultural, and economic ties that Bonn has consciously spun over the past decades with Eastern Europe, and particularly with the German Democratic Republic, as a strategy for overcoming the division of Germany.

In France, alarmed officials sometimes sketch what they maintain may be the new order in Eastern Europe, one characterized by a swelling West German economic presence and a slowly withering Soviet military and political grip.

They speak of West Germany as if it were a vast ship drifting eastward, unhooked from its moorings

in Western Europe and floating into the neutralist maelstrom of Central Europe. Chancellor Helmut Kohl's reluctance to replace aging NATO short-range missiles is portrayed as symptomatic of a wish to keep an open door to the East — and to Mr. Gorbachev's seductive-sounding "common European home."

Embedded in this analysis is the fear that the undoing of the harsh but stable Yalta order could eventually lead to a coming together of the two German states that would upset a continental balance of power that has brought more than four decades of peace.

After years of inactivity, punctuated by occasional denunciations of human rights violations, Mr. Mitterrand has resolved to make Eastern Europe one of the top foreign policy priorities of his current seven-year term. The most compelling imperative is, as French diplomats discreetly put it, to "accommodate" West Germany into Eastern Europe, to deter it from going it alone.

Mr. Mitterrand has had difficulty putting a distinct imprimatur on his Ostpolitik, the policy of diplomatic openings to Eastern Europe. The West Germans, meanwhile, have mastered a low-key approach that puts a premium on regime stability while Prime Minister Margaret Thatcher has emerged as the most forthright defender of human rights and capitalism in Eastern Europe. The French president spoke out for human rights in Prague only to have prominent dissidents put on trial after his departure.

"There is the feeling that while we were playing politics in the 1980s, denouncing Jaruzelski or whatever, the Germans were making money and conquering markets," observed Dominique Moisi,

assistant director of the Institute of International Relations in Paris. "And now we are left with no policy and no message."

Although Britain has historically regarded Eastern Europe as a diplomatic sideshow, Mrs. Thatcher has manifested a keen interest in the region since the Polish upheaval of 1980-81. In 1984, her foreign secretary, Sir Geoffrey Howe, started a series of visits that took him to all the Warsaw Pact states.

In November, Mrs. Thatcher made a highly successful visit to Poland where she lectured its leaders about the impossibility of making a centrally planned economy work.

Such symbolic diplomacy sits uneasily with West Germany, which over the years has perfected a don't-rock-the-boat approach to Eastern Europe that has emphasized trade ties and a willingness to use large amounts of cash to free political prisoners from East German jails or ethnic Germans from Romania. East Germany alone is estimated to receive some \$1.3 billion annually in cash transfers.

West Germany's exports to Eastern Europe are only 5 percent of its overall trade, but some 200,000 jobs in the Federal Republic depend on Communist business, and

German industrialists view Eastern Europe as a potential growth area. The West German preoccupation with maintaining the stability of existing Communist governments — and the tendency to regard Communist leaders as patriotic patriots trying to enlarge their room for maneuver — sometimes irritates Washington. U.S. diplomats, moreover, forecast clashes with Bonn as it demands an easing of restrictions on high-technology exports to Communist Europe.

But, within Western Europe, the Federal Republic's political and economic clout has made its cautious but ambitious approach to Eastern Europe the prevailing one.

To assuage his allies, Mr. Kohl speaks about the "Europeanization of Ostpolitik." But in London and Paris, the tendency is to regard what is happening as "the Germanization of Western Europe's Ostpolitik," with Bonn's trump card being the unspoken threat to act unilaterally.

"We want to be the leading force," a senior West German official acknowledged, speaking most candidly. "But we want to lead a strong, united Western European front. We don't want to go it alone."

CRITICISM: Harsh on Prague

(Continued from page 1)

groups of writers and intellectuals in both countries, indicate that the deep differences among East European governments over the revisionist agenda of the Soviet leader, Mikhail S. Gorbachev, are beginning to prompt open conflict.

For several years it has been clear that while Hungary and Poland strongly support Mr. Gorbachev and the cause of change, entrenched leaders in Czechoslovakia, East Germany and Romania oppose it.

Diplomats in Poland, Hungary and Czechoslovakia say that the Soviet Union shares the critical view toward the Jakes leadership, and that this fact may have encouraged the Poles and Hungarians to act.

East bloc pressure — including a visit to the country in the autumn by Alexander N. Yakovlev, Mr. Gorbachev's chief party aide on foreign policy — has appeared to have only a marginal impact on Prague. A prominent Czechoslovak dissident, Jiri Dienstbier, said that the Jakes leadership had appeared to yield to Moscow only on issues

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AMERICAN TOPICS

Waging Quiet War

On Exotic Organisms

In the United States, as elsewhere in the world, undesired non-native, or exotic, species are killing off less hardy but more interesting — and often ecologically more important — native plants and animals. U.S. park rangers, scientists and environmentalists are locked in combat with South African capeweed, Japanese grass, Himalayan raspberry thistle and thousands of other interlopers, the Los Angeles Times reports.

The National Park Service says exotic plants are the most widespread threat to the park system. It ranks them ahead of wildfires, overcrowding, pollution, vandalism, oil drilling and off-road vehicles.

Exotic plants and animals need not be fascinating or even unusual. Scientists consider species exotic after they move from one place to another, sometimes between continents, and flourish as pests in their new homes. The problem is not just one of aesthetics. Scientists warn that exotic can impinge on agriculture, push endangered native species closer to extinction or in runaway cases restructure entire ecosystems with unknown consequences.

A National Park Service biologist, Gary Johnston, cited as one example the mongooses introduced to Hawaii to control exotic rats.

"But mongooses operate mainly during the day while rats go out at night," Mr. Johnston said. "As a result, they rarely met. In the meantime, those

mongooses have had a tremendous impact (by eating) ground-nesting birds and reptiles, including two endangered species.

Notes About People

President George Bush promised a "scoop" to a reporter calling on him in the White House. The New York Times recounts Mr. Bush's response that, previous reports to the contrary, he refers to his wife, Barbara, as "the Gray Fox" and not as "the Silver Fox."

Jim Sasser, Democrat of Tennessee and chairman of the Senate Budget Committee, said of President Bush's budget message, which Democrats have criticized as recommending spending programs without specifying where the money is to come from, "This is a thousand points of light." — a favorite theme of Mr. Bush's election campaign. "But unfortunately the batteries aren't included."

John B. Connolly, the former Texas governor and U.S. Treasury secretary who filed for bankruptcy in 1987, listing \$93 million in debts, has joined the Houston-based First City Bancorp as a consultant. A company spokesman said Mr. Connolly "will be advising us on the development of Houston and Dallas as a major regional financial center." First City sued Mr. Connolly in 1986 for \$3 million in connection with an unpaid loan, but the spokesman said that dispute has since been settled.

Short Takes

The great corporate migration from New York City to Connecticut's Fairfield County, with Stamford as the hub, has ended, The New York Times reports.

The migration began in 1968 when Olin Corp., seeking lower taxes, better schools and other suburban advantages for its employees, moved to Stamford. By 1984, Stamford was the third largest U.S. center of corporate headquarters, behind only New York City and Chicago. Now, office vacancies have varied from 19 to 26 percent over the past year. "There are no other corporations moving in," said William S. Woodside, chairman of the regional plan association. He cited expensive housing in the immediate area, and the consequent need for lower-paid employees to commute long distances over jammed highways. And New York City itself, recovering from its fiscal woes of the 1970s, has become more attractive.

Serving as a juror in a drug-related murder trial in Baltimore, Gary M. Lewis was arrested on charges he tried to enter the downtown courthouse carrying a hidden bag of cocaine. Mr. Lewis, 23, was returning from a lunch break when a metal detector went off and authorities found a zippered pouch containing the drugs inside his coat. "It just goes to show you that it is possible to get a jury of your peers," a court official said.

In an article about Vernon (Lefty) Gomez, the Hall of Fame pitcher for the New York Yankees who died this month at 80, The New York Times recounted his oft-told tale of how, late in his playing career, he was told by the manager, Joe McCarthy, "Lefty, I don't think you're throwing as hard as you used to." "The irrepressible pitcher replied, 'You're wrong, Joe. I'm throwing twice as hard, but the ball isn't going as fast.'"

Arthur Higbee

The Tower Vote: A Double Standard on Drinking?

By Susan F. Rasky

New York Times Service

WASHINGTON — The immediate issue before the Senate Armed Services Committee was the fate of John G. Tower's nomination as secretary of defense. But two underlying issues, for months unspoken, are the Senate's own drinking habits and the fairness of the confirmation process itself.

The committee rejected Mr. Tower's nomination last week on an 11-to-9 vote. The full Senate is expected to take up the nomination on Wednesday.

To Republicans, who now must struggle to save his nomination, Mr. Tower is a victim of a Senate double standard that tolerates one mode of behavior for those who serve in the institution but unfairly demands another for those nominated by the president to the most important posts in the executive branch.

To Democrats on the Armed Services Committee, all of whom voted against Mr. Tower's confirmation, the former senator is a victim of his own free-wheeling past: highly experienced and knowledgeable in military policy, but unfit for a cabinet post in which he may be called upon to make life-and-death decisions.

No senator has said publicly that he ever saw Mr. Tower drunk at any time during the Texas 24 years in the Senate. Senator Sam Nunn, the Georgia Democrat who heads the Armed Services Committee, says he has no personal knowledge of Mr. Tower being intoxicated.

"We have changed the confirmation standards for this nominee;

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they are different from any other I have ever heard of," said Senator John S. McCain 3d, an Arizona Republican who is a member of the committee. "These new standards clearly don't apply to the people who are setting them."

Mr. McCain said he was referring not only to the allegations of womanizing and alcohol abuse that have swirled around Mr. Tower since President George Bush nominated him on Dec. 16, but also to concerns raised by Democrats that the nominee's past work as a consultant to weapons contractors could create conflicts of interest in his management of Pentagon programs.

"If those are the standards," Mr. McCain said, "what about people who are accepting campaign money from the very defense contractors

that John Tower worked for? What about behavior problems among other senators who have served in this body? If allegations are the standard, what about the speaker of the House, what about dealings with savings and loan institutions, or book contracts? The specific allegations against Jim Wright are much more specific than they are against John Tower."

The Republicans' case is strengthened by the Senate's historic tolerance for heavy drinkers, a tolerance evidenced in the no-questions-asked tradition by which pages have been allowed to bring beverages onto the Senate floor and the revelations that some members have appeared at sessions in a less than clear-eyed state.

But Democrats do not accept the assertion that Mr. Tower is being judged by a double standard. They argue that he is being asked, quite appropriately in their view, to meet a higher standard because of the nature of the critical post in which he would serve.

"This particular nominee for this particular cabinet position is different from any nominee for the secretary of interior," said Senator Robert C. Byrd, a West Virginia Democrat who is president pro-tem of the Senate and also a member of the Armed Services Committee.

At Pentagon, Worry on Policy

By Molly Moore

Washington Post Service

WASHINGTON — Pentagon officials, weary of the bruising political battle over the choice of John G. Tower for secretary of defense, say the Senate Armed Services Committee's rejection of the nominee could set back major military policy and personnel decisions for months and has left the Defense Department frustrated and demoralized.

Many officials said they believed that a protracted fight on the Senate floor would be futile and would unnecessarily delay efforts to fill the post of defense secretary, as well as dozens of other civilian appointments.

"It's over," a high-level military official said. "This puts us back even further. Everyone wanted to get this over with and get on with business. Now the Defense Department is sitting out there like a sore thumb with a lot of tremendously important decisions that need to be made."

He was among nearly a dozen civilian and military officials inter-

viewed at various Pentagon management levels. Most of those interviewed said Mr. Tower's plight was the dominant topic of conversation in the corridors.

Many officials assert that the Pentagon has been left in political limbo at a critical time. President George Bush, in his budget address to Congress, issued mandates for the Defense Department to provide him extensive reports on how it would reduce its budget, improve management and restructure costly strategic programs.

And although many Pentagon officials say they believe that Mr. Tower has been unfairly victimized by unsubstantiated rumors of womanizing and drinking, they say they believe those allegations have irretrievably crippled his nomination and that Mr. Bush is hobbling the Pentagon by continuing to pursue the nomination.

"He's been Borked," said one military official referring to the 1987 defeat of a Supreme Court nominee, Judge Robert H. Bork, first by the Senate Judiciary Committee, and then the full Senate.

A number of officials at all levels of the Pentagon bureaucracy have raised concerns over the public image that would be projected if Mr. Tower assumed leadership.

"This building has already been tainted by procurement scandals and the public's perception that none of our weapons work," one official said. "We don't need another black cloud hanging over the Pentagon."

Many Defense Department officials said that whatever Mr. Tower's credibility problems with the public may be, they would likely be quickly overlooked inside the Pentagon. "It's the nature of the military," one Pentagon official said. "If you're the boss, the military will say 'Yes, sir, and salute.'"

Most troubling to many Pentagon officials, however, is the growing worry that only the most mundane Defense Department business is being executed.

"Nothing major is happening," another high-level official said. "Even if there are meetings going on, everybody believes they are wasting their time."

New Option for AIDS Victims

By Gina Kolata

New York Times Service

NEW YORK — The Canadian government has sent notices to every doctor in Canada that it will allow patients with life-threatening diseases to obtain any drugs that companies are willing to sell, even if no country has approved the drugs for marketing.

Advocates for AIDS patients in the United States said that, if the drug companies cooperated, this emergency program could be an important new source of experimental drugs that are not available in the United States.

The U.S. Food and Drug Administration allows the seriously ill to import drugs, even if they are not approved for sale in this country, and buyers' clubs organized by AIDS patients and their advocates regularly import drugs sold over the counter elsewhere.

Prescription drugs are more difficult to obtain because the patient must have a prescription written by a doctor in another country.

To use the Canadian system, American patients would have to have the help of Canadian doctors and might have to go to Canada for some of their medical care. But, for the first time, the Canadian system would allow patients access to drugs that have not been marketed, as long as the drug company will sell them.

The Canadian program was established 10 years ago, but most doctors and even many health officials

were unaware of it. To draw attention to it, the Ottawa government sent the notices to the doctors, explaining how the system worked and listing some of the unapproved drugs that AIDS victims could receive.

The notice does not mention other life-threatening diseases but patients with such illnesses would be able to obtain drugs under the program.

The Canadian notices also include telephone numbers that doctors can call 24 hours a day to request drugs.

When the Canadian government approves a doctor's request for drugs, which is expected in most cases, the doctor must send follow-up information on the patients, identifying the patient only by initials and date of birth. Thus the government can keep track of how the patient reacts after taking the drug.

While the Canadian program is aimed at Canadian patients, U.S. citizens can make use of it through Canadian doctors.

"No one will stop them at the border," said Dr. Michele Brill-Edwards, acting assistant director of the medical branch of the Bureau of Human Prescription Drugs in Ottawa. The bureau is part of the Department of Health and Welfare.

Dr. Brill-Edwards said, however, that she feared that patients from the United States could overwhelm the Canadian system.

"We are a relatively small country," she said. "A system that works for a small country like this would be overburdened if another country uses it."

TOWER: Beleaguered Nominee Forswears Alcohol

(Continued from page 1)

to give up the MX," Mr. Nunn said, "should he go out and engage in a consultant relationship right after receiving that information with the company making the MX and the Midegman?"

Mr. Nunn added, "I think that is very questionable. It's a tough line to draw, but I do believe John Tower crossed that line on the revolving door."

Mr. Tower, saying it was refreshing to break the silence he had maintained during the past three weeks as his nomination came into doubt, rejected those assertions, saying he had never given any classified defense information.

Mr. Nunn threatened to reopen the hearings if selected White House disclosure of FBI files favorable to Mr. Tower continued. Mr. Tower conceded that such files had been disclosed, saying the administration had been motivated by the public bawling he had taken.

Although he insisted he would continue to seek the Senate vote, now scheduled for Wednesday, Mr. Tower turned aside a chance to predict that his nomination would pass. He did say that he believed he could hold all 45 Republican votes in the Senate and had some Democratic friends who would stick by him.

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To win confirmation, he must keep all 45 Republican votes and gain at least five Democratic ones, which some administration officials have acknowledged will be exceedingly difficult because of the high regard most Democrats have for Mr. Nunn.

The television appearances seemed difficult for both Mr. Tower and Mr. Nunn. Each acknowledged that the debate on the nomination had been personally difficult. Mr. Tower said his three daughters were calling him daily out of concern, and Mr. Nunn denied that he was standing firm on the issue because he had presidential ambitions.

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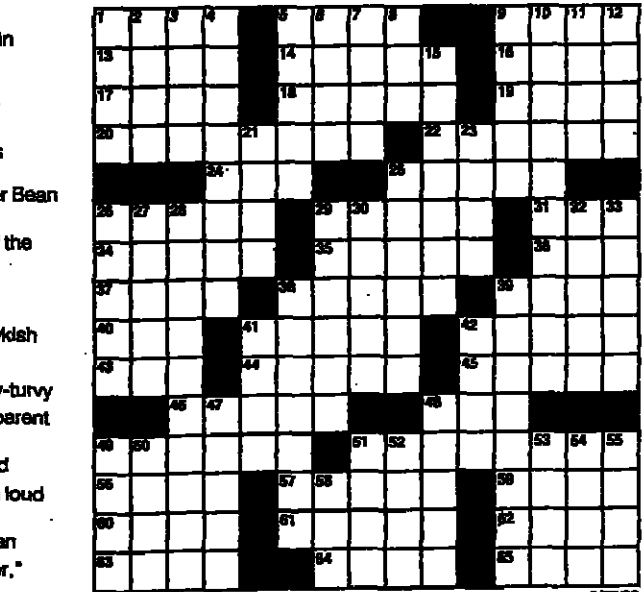
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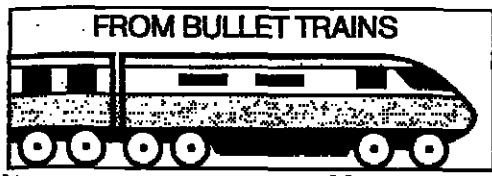
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- ACROSS**
- 1 Fish or singer
 - 5 Fermenting agent
 - 9 Rush letters
 - 13 Jumble
 - 14 Wrong
 - 16 Toss the dice
 - 17 Alphabet quartet
 - 18 Tropical lizard
 - 19 Intracable one
 - 20 Pitcher's throwing arm
 - 22 Dream land?
 - 24 Games' partner
 - 25 Wear with an air
 - 26 Drop by
 - 29 Room
 - 31 Eggs for Cato
 - 34 Track-meet unit
 - 35 Cyclades island
 - 36 Pick lead-in
 - 37 Estuary streams
 - 38 Squelch
 - 39 Mentor, Hindu style
 - 40 Electees
 - 41 Big name in bridge
 - 42 Bad dog
 - 43 Delibee or dorochee
 - 44 Repenter's activity
 - 45 Entertainer Bean
 - 46 Not likely
 - 48 Menute of the N.B.A.
 - 49 Arboreal quakers
 - 51 Most mawidish
 - 52 Munch
 - 57 Turn topey-turvy
 - 58 Pac-10's parent org.
 - 60 Towel word
 - 61 Traced via loud speaker
 - 62 Kind of bean
 - 63 "— Alder, 1969 film
 - 64 Optometric
 - 65 Jabbers



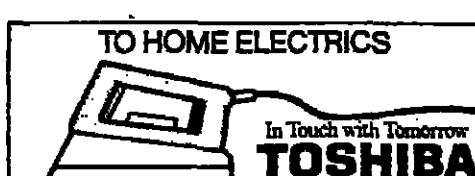
The first of the ideological wars —

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ECONOMIC SCENE

Exporting R&D Operations Could Hurt U.S. Economy

By LOUIS UCHITELLE

NEW YORK — There is no mistaking the trend: U.S. corporations increasingly are doing their research outside the United States. The evidence is abundant. In the past two years, for example, International Business Machines Corp., Eastman Kodak Co., W.R. Grace & Co., Merck & Co. and Upjohn Co. have opened research laboratories in Japan.

Amoco Oil Co. pays scientists at the University of Eindhoven in the Netherlands to seek breakthrough technology for oil refining. And Air Products & Chemicals Inc. will spend \$14 million this year on research conducted overseas — 20 percent of its research budget. Five years ago not a cent went abroad.

U.S. companies have always done some of their research & development work offshore, mostly in Japan and Europe, but until three years ago, such corporate spending almost always grew more slowly than research outlays at home.

Now a drastic change is showing up in the data collected by the National Science Foundation, which tracks research outlays by U.S. corporations.

Recent surveys show that R&D spending abroad jumped by 33 percent in 1986 and 1987, to a total of \$4.7 billion, while spending at home went up by only 6 percent, to \$52.8 billion.

The falling dollar accounted for some of the big increase, but even after adjusting for devaluation, spending rose faster abroad than at home and most likely did so again last year, experts say.

The rapid increase in overseas research was probably inevitable. U.S. manufacturers are increasingly putting state-of-the-art factories in other countries and expanding their sales abroad.

Research is a natural adjunct of this activity — if for no other reason than to tailor products to foreign markets.

IBM, for instance, is trying to develop computer software at its Tokyo lab that could translate English into Japanese.

But the trend toward more corporate research abroad has its dangers. U.S. companies perform about 70 percent of the R&D carried out in the United States, financing most of it themselves. So changes in corporate practices could chip away at the its preeminence in science.

FROM the company viewpoint, this downside is less noticeable. Global research is a healthy trend, executives say, because it makes companies more competitive and efficient. In addition, discoveries abroad are quickly made known back home, thus protecting the national interest.

Executives cite many good reasons for taking research abroad. But the most important is what they describe as the need to monitor and then "capture" breakthroughs in countries where research flourishes in certain technologies. Sending observers won't bring the desired results.

"We find that the best way to do this — the only way — is to participate in the local scientific community," said John Deringer, an executive in IBM's research division, which has two of its four labs abroad. "Scientists confide in colleagues, not listeners."

But there is a potential danger for the United States if U.S. companies keep increasing their R&D spending overseas faster than at home.

The lopsided financing might eventually create numerous research centers abroad, with all the rich spillover benefits that come with such centers.

These include not only high-paying jobs but also new financing for universities and a pool of scientists who swap information. When a new technology is finally developed, a nearby manufacturer often gets the first production contract.

An IBM or a General Motors might not care in which country these spillover benefits fall, since they operate worldwide.

But the U.S. government probably should care, says Laura Tyson, a University of California economist, and probably should find ways to get U.S. and foreign companies to build up research centers in this country.

That could mean a reversal of current practices, which exclude the Japanese, the Europeans and other foreigners from U.S. research consortiums like Sematech.

Sematech is a cooperative effort by 14 U.S. semiconductor companies that, with some federal financing, seeks technologies that will outdo the Japanese.

Foreign companies might be lured into doing more research in the United States if they could join these consortiums, says Robert Z. Lawrence, a Brookings Institution economist.

The Eurobonds column does not appear this week because Carl Gewirtz is on vacation.

Currency Rates

Cross Rates	Per \$	Per 100	Per 100	Per 100	Per 100	Per 100	Per 100	Per 100	Per 100
Australian dollar	1.2825	1.2825	1.2825	1.2825	1.2825	1.2825	1.2825	1.2825	1.2825
British pound	1.6450	1.6450	1.6450	1.6450	1.6450	1.6450	1.6450	1.6450	1.6450
Canadian dollar	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500
French franc	6.5596	6.5596	6.5596	6.5596	6.5596	6.5596	6.5596	6.5596	6.5596
German mark	1.3636	1.3636	1.3636	1.3636	1.3636	1.3636	1.3636	1.3636	1.3636
Italian lira	2036.27	2036.27	2036.27	2036.27	2036.27	2036.27	2036.27	2036.27	2036.27
Japanese yen	161.00	161.00	161.00	161.00	161.00	161.00	161.00	161.00	161.00
Netherlands guilder	3.6363	3.6363	3.6363	3.6363	3.6363	3.6363	3.6363	3.6363	3.6363
Swiss franc	1.4850	1.4850	1.4850	1.4850	1.4850	1.4850	1.4850	1.4850	1.4850
West German mark	1.3636	1.3636	1.3636	1.3636	1.3636	1.3636	1.3636	1.3636	1.3636

Source: Reuters. Rates are for U.S. dollars. Rates for other currencies are for 100 U.S. dollars. Rates for gold are for 100 U.S. dollars. Rates for oil are for 100 U.S. dollars. Rates for wheat are for 100 U.S. dollars. Rates for corn are for 100 U.S. dollars. Rates for soybeans are for 100 U.S. dollars. Rates for cotton are for 100 U.S. dollars. Rates for sugar are for 100 U.S. dollars. Rates for coffee are for 100 U.S. dollars. Rates for tea are for 100 U.S. dollars. Rates for rubber are for 100 U.S. dollars. Rates for tin are for 100 U.S. dollars. Rates for nickel are for 100 U.S. dollars. Rates for copper are for 100 U.S. dollars. Rates for zinc are for 100 U.S. dollars. Rates for lead are for 100 U.S. dollars. Rates for aluminum are for 100 U.S. dollars. Rates for steel are for 100 U.S. dollars. Rates for iron ore are for 100 U.S. dollars. Rates for coal are for 100 U.S. dollars. Rates for natural gas are for 100 U.S. dollars. Rates for electricity are for 100 U.S. dollars. Rates for oil derivatives are for 100 U.S. dollars. Rates for gas derivatives are for 100 U.S. dollars. Rates for other derivatives are for 100 U.S. dollars.

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U.S. Says Debt Plan Is Sound

New Study Rejects Calls for Change

WASHINGTON — The U.S. strategy for resolving the Third World debt problem remains sound and there is no need for regulatory and accounting changes to encourage banks to reduce debt, according to a new U.S. government report.

The report, released Friday, was a fresh indication that the Bush administration is unlikely to make sweeping changes to the debt policy mapped out in 1985 by James A. Baker 3d, who was then Treasury secretary.

"The bank regulatory agencies continue to believe that the case-by-case negotiated approach is the best method," the report said.

The report was based on a study undertaken by the Office of the Comptroller of the Currency, the Federal Reserve Board and the Federal Deposit Insurance Corp.

The U.S. Treasury is heading a government review of the so-called Baker Plan, which envisaged increased lending to countries that revised their economies along market lines, and is due to present its own report to Congress next month.

Administration officials have said the next stage in the evolution of the Baker Plan is likely to emphasize techniques for reducing the Third World's \$1.3 trillion debt by selling loans at a discount for equity investments, bonds or other instruments.

The report, noting World Bank estimates that commercial bank debt was reduced by \$20 billion dollars in 1987 and in 1988, rejected arguments made by some banks that present rules hinder further debt reduction.

"Current regulatory and accounting policies have not prevented banks that were otherwise inclined to do so, from participating in a wide range of negotiated debt reduction transactions with borrowing countries," the report said.

On two key issues, restriction of the capitalization of interest and a requirement for immediate recognition of loan losses, the report recommended no easing of current rules.

higher, but dealers said the rate increase was overdue and some added that they had hoped for a one-point rise.

The dollar ended the week at 1.8183 Deutsche marks in New York, down from 1.8378 the previous Friday. The U.S. unit edged up to 126.100 yen from 125.825 yen the previous week, though it was lower than the 126.150 close on Thursday, when it was at 1.8220 DM.

The discount rate rise was "the best news we have gotten in a long time and the dollar can't even rally," said Daniel Holland, a dealer at Discount Corp. He said the market had already discounted the operation and the focus immediately turned to whether West Germany would match the increase.

He said there was a lack of confidence in the U.S. administration stemming in part from the failure to take decisive action so far on the budget and trade deficits, and that would continue to plague the dollar.

Technical analysts said 1.8120 DM was a critical support level. The dollar approached but did fall below that point on Thursday morning, when dealers were questioning the Fed's anti-inflation resolve.

These analysts, who look at past price movements to predict future trends, said that level represented the last technical buffer before 1.80 DM and that a fall through it could presage a decline to 1.78 DM.

The reasoning is based on the dollar's early January trend, when in four days, it jumped to 1.82 DM.

See RATES, Page 9

Europe's Central Banks Likely to Increase Rates

Compiled by Our Staff From Dispatches
NEW YORK — European central banks are likely to raise interest rates after last week's increase in the Federal Reserve Board's discount rate, analysts said.

"European interest rate hikes are virtually dead certain," said Anne Parker Mills, a currency analyst at Shearson Lehman Hutton Inc.

Some dealers said that West Germany in particular shared the Fed's concern about inflation. They said the West German central bank probably would raise rates after its council meeting on Thursday.

The Bundesbank's Lombard emergency funding rate, charged on very short-term loans to banks collateralized by securities, now stands at 6 percent, while the longer-term discount rate is at 4 percent. Speculation is that at least the Lombard rate would be raised in response to rising consumer prices and that other countries would follow.

Analysts said they also expected the Bank of Japan to lift market rates. They were skeptical about a Japanese discount rate increase because inflation is not alarming, although the economy is robust. The discount rate is 2.5 percent.

The net result of overseas rate rises would be to neutralize the Fed's half-point increase in the discount rate, charged on loans to banking institutions, analysts said.

On Friday, the discount rate was raised to 7.0 percent.

Dollar traders gave an uncharacteristically cool reception to the U.S. discount rate increase. Higher U.S. rates usually tend to support the currency because they make dollar-denominated bond yields

higher, but dealers said the rate increase was overdue and some added that they had hoped for a one-point rise.

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A Clouded Horizon at Apple Computer

Move to Boost Prices Last Year Backfired

By John Markoff

NEW YORK — It was a dream and a technology that created Apple Computer Inc. and a vision that produced a rare corporate mythology, products that changed America and profits that made shareholders rich.

In the past six months, however, the vision seems to have clouded. Questions are now flying about managerial judgment, product decisions and basic strategies at a company that grew from a tiny start-up operation into one of the biggest and most profitable U.S. companies.

Top managers are departing, the company said profits are falling and the Macintosh computer has lost some of its luster. Budget cuts and sagging morale are also exacerbating the problem.

The company founded in a garage is showing troubling signs that it has failed to understand the corporate suite.

"Is the house in order?" asked Charles R. Wolf, an analyst at First Boston Corp., who has watched Apple since its founder, Steven P. Jobs, was in charge.

He said he was not convinced that John Sculley, now chairman and chief executive, had chosen the right organizational structure or selected the right top executives.

Worse, he wonders whether Apple will be able to defend its ground as easily as it once did.

"The big issue is: Can Apple continue to differentiate itself from the rest of the world?" he said. "Moses went to the mountain for the 10 Commandments, Steve Jobs went to the mountain and came back with the Macintosh."

"But can John Sculley go to the mountain and come back with something unique?" That question goes to the heart of the risks now being taken at Apple by Mr. Sculley.

Although Mr. Jobs is no longer with Apple, Mr. Sculley is still struggling to step out of the shadow of his charismatic predecessor, who led the development of the wildly successful Macintosh.

If Mr. Sculley succeeds with the new plan he has developed for Apple, he will win a spot at the company — and in management textbooks — that is as sacrosanct as the one still held by Mr. Jobs. If he loses, Apple could fall from grace as the industry's innovator.

Until recently, his track record was strong. But two related decisions in the past six months have prompted what even Mr. Sculley calls a crisis at the company.

First, Apple bet heavily that a shortage in memory chips, a personal computer's most common component, would continue. It did not.

Then in September, just before the critical Christmas buying season, it ordered sharp price increases for its Macintosh, only to be

coincidence propelled it. Two years of flawless performance had taken its toll on judgment, they say, and several said they were humbled by the experience.

"It's given us the chance to do some soul searching, it's given us the chance to say: 'What do we want to do with this company?'" Mr. Sculley said.

Both decisions, according to Apple officials, will hurt the bottom line in the coming quarter.

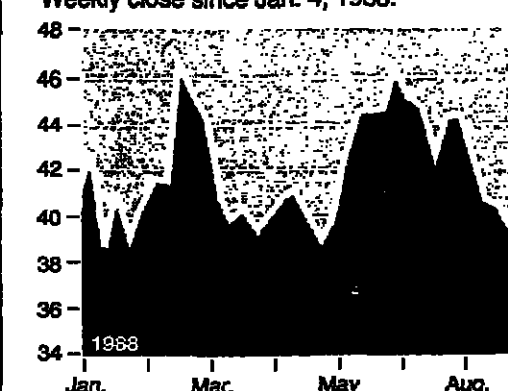
And analysts and industry executives say any decline in profits will raise more questions about the repeated reorganizations that Mr. Sculley has imposed on the company since August and that seem to have led to five high-level resignations.

But at the time many in the computer industry wondered why Mr. Sculley was tam-

See APPLE, Page 11

Turbulent Times at Apple

Weekly close since Jan. 4, 1988.



Further, although 1989 is shaping up as a strong product year for Apple, the company has tried to seduce customers with visions of innovative products that will not be on the shelves for decades.

The gap between the vision and the reality of the existing products may hurt Apple by creating a credibility gap, some analysts suggest.

Apple employees say the turmoil has been particularly intense in Apple's key marketing group, which has been shaken by several reorganizations and executive departures.

In their defense, Apple executives say the events of the past six months are the inevitable cost of managing phenomenal growth.

Apple's sales have doubled since 1986, from \$1.9 billion in 1985 to an expected \$5 billion by year-end.

Mr. Sculley calls the setbacks temporary. "This company is not out of control," he said. "The personal computer industry has a very short memory. They seem to have forgotten how well Apple has done during the past two years. By the end of this year, we will have a lot of new products in place and that will make a huge difference in the way people look at Apple."

Mr. Sculley, who came to Apple from PepsiCo Inc. has his own vision about how Apple should be run in the 1990s.

If his plan works, Apple will be a \$10 billion company in the early 1990s.

But he has tried to prepare Apple for that growth with a series of reorganizations that have rocked the company.

Last August, he replaced the company's traditional top-down edifice with a streamlined one designed to bring Apple closer to customers and to cut layers of management, which he called a barrier to quick decision-making and innovation.

But at the time many in the computer industry wondered why Mr. Sculley was tam-

See APPLE, Page 11

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New International Bond Issues

Compiled by Bassam Aoun

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
FIXED-COUPON						
BP America	\$200	1996	10	101 1/4	—	Noncallable. Fees 1/8% (Morgan Stanley Int'l)
DKB Asia	\$125	1999	10.40	101.90	99.65	Callable at par in 1992. Fees 2%. Denominations \$10,000. (Shearman Lehman Brothers Int'l)
Ford Motor Credit	\$200	1992	10	101 1/4	99.25	Noncallable. Fees 1 1/2% (Goldman Sachs Int'l)
Mitsui Bank Luxembourg	\$ 50	1999	10 1/4	102	—	Callable at par in 1992. Fees 2%. Denominations of \$250,000. (Windsor Finance Int'l)
Skopbank	\$ 50	1999	10 1/4	102	—	Callable at par in 1992. Fees 1 1/2% (Nomura Int'l)
Yasuda Trust & Finance Hong Kong	\$120	1999	10 1/4	101.92	—	Callable at par in 1992. Fees 2% (Goldman Sachs Int'l)
Abbey National Building Society	£100	1998	10 1/4	101 1/4	98.50	Noncallable. Fees 2% (Warburg Securities)
Hammerson Property Investment & Development	£100	2013	10 1/4	99.88	—	Noncallable. Fees 2 1/2% (Kleinwort Benson)
European Investment Bank	DM 300	1999	6 1/4	100	97.55	Noncallable. Fees 1 1/2% (Frankfurt KGAAG)
Finance for Danish Industry	DM 100	1994	6 1/4	101 1/4	99.375	Noncallable. Fees 2% (Deutsche Girozentrale)
Fuji Bank Luxembourg	DM 100	1996	6 1/4	101	97.70	Noncallable. Fees 2 1/2% (Commerzbank)
Nordic Investment Bank	DM 500	1999	6 1/4	101 1/4	98.75	Noncallable. Fees 2 1/2% (Solomon Bros)
Rhone-Poulenc Commercial Finance	FF 500	1994	5 1/4	100 3/4	98.875	Noncallable. Fees 1 1/2% (Caisse Nationale de Crédit Agricole)
European Investment Bank	ECU 100	1996	8 1/4	101 1/4	99.625	Noncallable. Fees 1 1/2% (Istituto Bancario San Paolo di Torino)
Kredietbank Int'l Finance	ECU 50	1994	zero	69 1/4	—	Redeemable in Belgian francs. Fees 1 1/2% (Kredietbank)
Ontario Hydro	C\$ 500	1999	10 1/4	101 1/4	98.275	Noncallable. Fees 2% (Merrill Lynch Canada)
Banque Générale du Luxembourg	Aus\$ 50	1990	20 1/4	101 1/4	100.62	Redeemable in either U.S. or Australian dollars at a fixed rate of 0.80 U.S. dollars per Australian dollar. Fees 1 1/2% (Bankers Trust Int'l)
Kredietbank Int'l Finance	Aus\$ 80	1990	20	101 1/4	100.65	Redeemable in either U.S. or Australian dollars at a fixed rate of 0.80 U.S. dollars. Fees 1 1/2% (Credit Suisse First Boston)
Postipankki	Aus\$ 50	1990	20	101 1/4	100.62	Redeemable in either U.S. or Australian dollars at a fixed rate of 0.80 U.S. dollars. Fees 1 1/2% (Bankers Trust Int'l)
Yensika Handelsbanken	Aus\$ 50	1991	16 1/4	101 1/4	100.50	Noncallable. Fees 1 1/2% (Handelsbanken)
Morabeni Int'l Finance	¥30,000	1993	5	101 1/4	99.00	Noncallable. Fees 1 1/2%. Denominations 10 million yen. (Yamashita Int'l Europe)
EQUITY-LINKED						
Atsugi Motor Parts Co.	\$100	1993	open	100	—	Coupon indicated at 4 1/2%. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares at an expected 25% premium. Fees 2 1/2%. Terms to be set Mar. 1. (Dresner Europe)
Esai Co.	\$300	1993	open	100	103.00	Coupon indicated at 4 1/2%. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares at an expected 25% premium. Fees 2 1/2%. Terms to be set Mar. 1. (Nomura Int'l)
Nishio Iwai (Asia)	\$400	1993	open	100	104.00	Coupon indicated at 4 1/2%. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares at an expected 25% premium. Fees 2 1/2%. Terms to be set Feb. 27. (Nishio Securities Europe)
Nishio Iwai (Europe)	\$400	1993	open	100	104.00	Coupon indicated at 4 1/2%. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares at an expected 25% premium. Fees 2 1/2%. Terms to be set Feb. 27. (Nomura Int'l)

Inflation Fears Push Bonds Lower

NEW YORK — Rising interest rates and evidence of inflation in the U.S. economy sent long-term bond prices sharply lower last week.

On Wednesday, the government reported that consumer prices rose 0.6 percent in January, the largest monthly rise in two years. Major banks began raising their prime lending rates on Thursday, increasing the base cost of loans to 11.5 percent from 11 percent.

On Friday, the Federal Reserve Board, citing "inflationary pressures in the economy," raised its discount rate. The central bank boosted the interest it charges on loans to banking institutions to 7 percent from 6.5 percent. The bulk of the leading commercial banks also raised their prime rates to 11.5 percent on Friday.

Long-term Treasury bond prices fell 1 1/4 to 1 1/2 points for the week. The 30-year bond yield rose to 9.19 percent from 9.04 percent the previous week.

Dealers said the market reacted quickly to the discount rate rise on Friday, but after that, the market down prices of Treasury notes and bonds by up to half a point, or \$5 on each \$1,000 of face value, they discovered there was little retail business and that they were trading mostly among themselves. Afterward, prices rose.

RATES: European Central Banks Likely to Join Fed

(Continued from first finance page) from 1.7675 DM. Since then, it has not traded below 1.80.

The weaker the dollar gets, the more aggressive the Fed will be in combating inflation, said Jack Adkins, an analyst at Refco Group Ltd. "Personally, I don't think there is any urgency for the Germans to raise their rates," he said.

Many analysts said the Fed will have to raise rates again, whether or not the Europeans act.

"Until the Fed sees some clear evidence that the economy is slowing down, it is going to continue to tighten," said David Wyss, an economist with Data Resources Inc. in Lexington, Massachusetts. "It believes the economy is running too fast, inflation is accelerating, and it's going to put on the brakes."

Analysts said that short-term U.S. interest rates were likely to increase in the near future, even without additional tightening by the Fed. Many

dealers said rising short-term rates were not reacting to the discount rate increase but to a rise in the federal funds rate.

The federal funds rate, which is considered the bedrock lending

rate because that is what banks charge each other for overnight loans, traded as high as 10 percent before winding down to 9.813 percent. A week earlier, fed funds ended at 9.513 percent.

The higher fed funds rate pushed short-term securities yields up. Two-year Treasury notes were returning 9.88 percent, up from 9.68 percent the previous week, and the yield on five-year securities rose to 9.50 percent from 9.31 percent.

In recent weeks, short-term rates have been higher than yields on longer bonds. In a normal interest-rate environment, long-term rates are higher, to compensate investors who tie up their money for extended periods. Analysts had said the market was anticipating that the Fed would be able to control inflation in the long-term, although some have questioned its latest moves.

Several primary dealers in government securities said that Fed aides who called Friday to ask about the effect of the discount rate

rise seemed surprised when told the move was a nonevent.

"What did they expect?" one dealer asked. "Not only was the Fed's action a long expected catch-up move, but it was too little and too late and too wishy-washy to influence anything. What did inflation interest rates today was the strength of federal funds."

In a semiannual testimony about the central bank's goals, Alan Greenspan, the Fed chairman, told Congress on Wednesday that the January price rise was "disturbing."

Mr. Greenspan said the central bank was determined to resist inflation by limiting the flow of money into the economy.

Philip Braverman, chief economist of Irving Securities Inc., is of the school of analysts who believe the Fed overreacted.

"We think the Fed chairman Greenspan blundered by overreacting to the inflation danger in his testimony before Congress earlier this week, and then moved to justify his position by tightening credit to head off this perceived danger," Mr. Braverman said.

As for the surges in prices cited by Mr. Greenspan as heralds of inflation, Mr. Braverman said they were aberrations and that indicators in coming months would show a slowing economy. (NYT, UP)

Stalemate in Talks Endangers Coffee Pact

LONDON — The future of an international agreement to support world coffee prices was in jeopardy on Sunday with major consumers and producers sharply split on terms for a new accord.

Five days of talks in London that ended on Friday failed to bring together the two sides, divided on how to keep producers from selling cheap coffee to consumers outside the 74-nation International Coffee Organization.

If they cannot reach a consensus soon the oversupplied coffee mar-

ket will be left without international support from the end of September when the current six-year pact expires.

This would hit producers, which include some of the Third World's biggest debtors. Lower prices on world markets eventually filter down to prices on supermarket shelves.

The agreement, set up more than 25 years ago, works by limiting supply through export quotas for consumers and producers.

Chances of a deal hinge on the positions of Brazil, the biggest producer, and the United States, the largest consumer.

U.S. officials said the United States did not want to extend the current pact beyond September, one of the options open, and would join a new one only if the ICO can find a way to end cheap sales to nonmembers, which include the Soviet Union and Algeria.

Brazil seemed inflexible about not wanting any major changes to the existing agreement.

Blast From the Past: U.S. Inflation Re-emerges

By Michael Quint

New York Times Service

NEW YORK — When U.S. prices were rising at double-digit rates back in 1979 and 1980, inflation was enough of a public concern for the Federal Reserve Board to raise interest rates dramatically and push the economy into a recession.

Now, after five years of inflation averaging 3.5 percent, followed by two years at 4.5 percent, Fed officials are loudly warning that inflation is gaining momentum.

On Tuesday, Alan Greenspan, the Fed chairman, told the House Banking Committee to expect the central bank to push interest rates higher. Although inflation remains far below its peak rates earlier this decade, Mr. Greenspan said consumer price rises in 1988 were "troubling, especially with inflation already at a level that would be unsatisfactory if it persisted."

Later in the week, the Fed backed up its warning, first by pushing up short-term interest rates and then by raising, to 7 percent from 6.5 percent, the discount rate it charges on loans to banking institutions.

The first move prodded commercial banks to raise their prime lending rates — used on loans to consumers and small businesses — to 11.5 percent from 11 percent. The second was more important as a signal to the markets that the Fed was willing to follow a tight monetary policy to combat inflation.

The markets got the message: The Dow Jones industrial average fell nearly 44 points on Friday as the possibility of an economic slowdown became apparent.

The need for a signal underscores the Fed's awareness that its credibility as an inflation-fighter has been under scrutiny. By raising interest rates, the central bank showed a willingness to take actions not favored by the Bush administration.

Economists in and out of the Fed agreed that last year's 4.6 percent inflation was too high. They also agreed that growing wage pressures and diminished excess capacity in many industries after six years of economic growth made the economy ripe for still-higher inflation.

Against this backdrop, some economists have been wondering exactly how much of a compromise the Fed will accept as it seeks to stabilize prices. After all, they reason, consumers' attitudes survey do not show inflation as a top priority, so there is not much pressure on the central bank to bring it down.

Within the Fed, there is always rhetoric about the need to reduce inflation. But rather than slamming on the brakes as in 1980 and 1981, when harsh action was required to bring prices down, the Fed has so far been gentler in attacking inflation, even if its rhetoric has not been any kinder.

In a monetary policy report pre-

sented to Congress last week, Fed officials admitted that they expected inflation to rise slightly this year. The consensus among senior Fed officials was that "a prudent effort to restore price stability over time" could coexist with a slightly higher inflation rate in 1989.

So far, Mr. Greenspan has re-

acted in a way that suggests he is not ready to set a precise numerical limit on the amount of inflation he will tolerate. He prefers to talk about "price stability," by which he means an environment where inflation is low enough that it is not a factor in economic decisions made by businesses and consumers.

To that end, the Fed has so far chosen to increase short-term rates gradually and has come nowhere near the point of pushing the economy into recession. A recession, of course, would be anathema to the new administration, which has forecast economic growth of about 3.25 percent this year.

The Fed is exerting every effort to achieve a soft landing for the economy," said Francis H. Schott, chief economist at the Equitable Life Assurance Society. But Mr. Schott added that the Fed touch had been so light that "you could have doubts about whether they have had much effect on the economy."

Although the Fed has raised short-term interest rates by more than 3.25 percentage points this year, there are few clear signs that the increase has curbed inflation by dampening demand.

But eventually, higher rates will have their effect, said Paul A. Aron, an economic consultant in Minneapolis. The increase in the prime, he said, "put rates at a level where there should be a palpable drag on the economy."

He added, "It's like a tax increase to the household sector, where more and more consumers have adjustable-rate mortgages and personal loans pegged to the prime rate."

The catalyst for the Fed's actions last week seemed to be the rise of 0.6 percent in consumer prices dur-

ing January. Inflation fears had already been heightened earlier in the month by a 1 percent rise in producer prices for January and by a strong gain in employment.

"Last year, the Fed could afford to go slow in fighting inflation, because the inflationary threat was more hypothetical, based on speculation that strong economic growth would bring more inflation," Mr. Aron said. "But now, actual evidence of higher inflation is starting to be reported."

To be sure, some are convinced that the Fed may be acting more vigorously of late.

"I don't think there can be any question about Mr. Greenspan's resolve to fight inflation," said S. Waite Rawls, vice chairman at Continental Bank in Chicago.

The frustrating part is that nobody knows when the economic impact or how great it will be," Mr. Rawls said. "The Fed faces two conundrums," he explained. "First, what level of growth is too high to contain inflation? The second is, what level of real interest rates is needed to slow the economy?"

Some financial market indicators suggest that confidence in the Fed's willingness to fight inflation has not eroded much, despite the criticism of some traders in the bond and foreign exchange markets.

While some analysts pointed to the rise in 30-year Treasury bond yields to 9.19 percent from about 8.79 percent on Feb. 8 as a signal of waning confidence in the Fed's anti-inflation resolve, others noted that bond yields remained within their 8.4 percent to 9.4 percent range of the past year. Stable long-term bond yields are the market's vote of confidence that the Fed will keep inflation under control.

Another key inflation barometer that remains far from the danger zone is the price of gold, which is supposed to rise with inflationary expectations. Instead, gold has fallen below \$400 since late January.

But to deal inflation a solid blow may require the Fed to intervene more aggressively.

"It will be very hard to get inflation below 4.5 percent, even with a mild recession," said Philip Kagan, an economics professor at Columbia University. "The test will be whether we hold the economy down to keep inflation from rising above 4.5 percent, or do we allow inflation to rise to 6 percent or 7 percent? If people get the idea that the government will not hold the line, then inflation can accelerate much more rapidly."

In response to such fears, H. Lee Hoskins, president of the Federal Reserve Bank of Cleveland, has urged his colleagues to publicly adopt a program to bring inflation down to zero over a four- or five-year period.

In a January speech to economists in San Francisco he estimated that the Fed's gradual moves to

Fed's Discount Rate Boost Diverges From Bush Goals

By Peter T. Kilborn

New York Times Service

WASHINGTON — In raising an important interest rate on Friday, Alan Greenspan, the chairman of the Federal Reserve Board, departed from what many considered a deferential posture toward the new administration, taking a highly public step to counteract signs of worsening inflation.

The central bank raised its discount rate, charged on loans to banking institutions, to 7.0 percent from 6.5 percent. It acted at a time when economic indicators have persuaded many economists that inflation is getting worse, calling into question the success of the Fed's yearlong drive to nudge up interest rates to hold prices in check.

Has Mr. Greenspan been too timid? Mainstream economists applaud his vigilance but question whether he has been tough enough. Some say the Fed should have raised the discount rate by more than half a point and that it could have acted tougher sooner.

"Maybe the country needed him to be a little more forceful," said Ralph Bryant, an economist at the Brookings Institution. "I was a little surprised he raised the discount rate only half a point. But in a democratic country, the president ought to take the lead, and he hasn't."

Although it is unclear whether inflation is truly on the rise or merely a temporary aberration, the financial markets, fueled by the Fed's concern, are acting apprehensively.

The question on economists' minds is whether inflation has indeed jumped into a higher range or only poses a potential threat. The administration seems to see no hard evidence of rising inflation, while the central bank does. It may be too soon to say who is right, but the Fed elected to err on the side of caution.

Clear signs of a sustained, widespread rise are still scarce. Last year, as in 1987, consumer prices rose 4.4 percent. At that level, both the administration and the Fed say inflation is too high.

But the government has reported a huge 1 percent leap in producer prices for January and a large 0.6 percent rise in consumer prices. Mr. Greenspan called such increases "troubling" and "not acceptable."

The White House, predictably, has been edgy but restrained. Presidents and parties in power lose more votes because of recessions, which rising interest rates often provoke, than because of rising inflation. But compared with the hostile Fed-baiting of the Reagan years, the Bush administration's reaction has been unusually benign.

Whatever discomfort the administration feels is tempered by concern that rising inflation without the Fed's intervention could send the dollar tumbling, officials say, which no one in the administration seems to want.

As a result, individuals tend to favor consumption over investment, or they make investments with a shorter time horizon where they can more confidently estimate how much inflation to expect. Both options could diminish economic growth by cutting into the money available for investment.

Still another cost stems from the difficulty a company may have in assessing its health. Instead of focusing on improving efficiency, businesses tend to devote time to guessing how to keep in step with inflation.

For individuals and families, meanwhile, "Even if inflation is stable, there are some sectors of society that are better able to cope with it than others," said Mr. Schott of Equitable. "People higher up the scale can benefit through things like home ownership, or savings accounts whose interest rates rise with inflation."

Darman Sees Greenspan As Too Wary

Reuters

WASHINGTON — Richard G. Darman, the U.S. budget director, has disagreed with the Federal Reserve Board chairman, Alan Greenspan, about the threat of inflation to the American economy.

In a television interview on Saturday, Mr. Darman said he believed the economy would grow faster than he thought Mr. Greenspan expected. Mr. Darman said he did not favor a policy based only on restricting the availability of credit.

On Friday, the Fed raised its key discount rate to 7.0 percent from 6.5 percent. The new level is the highest charged on loans to banking institutions in three years. The central bank said it made the move because of inflationary pressures.

Asked about Mr. Greenspan's comments at congressional hearings this week that the Fed would take steps to control inflation even if it slowed U.S. economic growth, Mr. Darman replied, "I personally don't believe that the inflationary threat is as great as some there believe it is at the moment."

"But putting that issue aside," he continued, "the more basic difference I think is some there tend to think that a long-term sustainable real growth rate is only about 2.5 percent or a little bit less."

Mr. Darman said, "I tend to think that our long-term sustainable real growth should be what it has been for the past 40 years, 3.25 percent real growth, and the issue should be not do we adjust downward in some defeatist way but what are the best policies to achieve that growth."

Mr. Darman said a policy "oriented toward nothing but monetary policy" would make economic problems worse.

Treasury Bonds

Maturity	Bid	Ask	Yield	Feb. 26
30.00.00	97 1/8	97 1/2	5.66	5.51
15.05.01	97 1/8	97 3/4	5.66	5.51
30.00.02	98 1/8	98 1/4	5.64	5.22
15.05.03	97 3/4	98 1/4	5.64	5.22
15.01.05	97 3/4	98 1/4	5.64	5.22
15.06.06	96 3/4	96 3/4	5.28	5.20
15.06.08	100 1/2	100 1/2	5.28	5.15
15.05.18	96 3/4	96 3/4	5.12	5.04

Source: Solomon Inc.

U.S. Consumer Rates

	Feb. 26
Tax Element Bank:	
Bond Buyer 20-Bond Index	7.53 %
Money Market Funds	
Doughnut's 7-Day Average	8.88 %
Bank Money Market Accounts	
Bank Rate Money Index	4.56 %
Home Mortgages, FHLE average	10.56 %
Source : New York Times.	

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NASDAQ National Market

OTC market trading for week ended Friday

Sales in 100	High	Low	Close	Change
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Intel Seeks to Regain Lead With Launch of New Chip

SAN FRANCISCO—Intel Corp.'s expected introduction this week of a powerful new microprocessor is an effort to reverse the growing perception that its leadership in semiconductor technology is slipping, analysts said.

This leadership has come into question amid criticism that the company was too slow to exploit the potential of Reduced Instruction Set Computing, or RISC, a semiconductor technology that markedly increases the speed and power of computers, they said.

With the introduction of its new microprocessor, "Intel is showing it is still a player in the marketplace for emerging technologies," said Drew Pock, an analyst at Donaldson Lufkin & Jenrette.

It appears, however, that Intel has compensated for its tardiness by creating a RISC-based chip which boasts an impressive array of capabilities.

Earlier in the month, Intel revealed that the chip, named the N-10, is significantly faster than existing microprocessors and has sophisticated graphic and computational capabilities.

But some analysts believe Intel may be too late. Other companies have already come out with RISC-based microprocessors that are being used in a new generation of workstations that rival mainframe computers in their power but are much less expensive.

"This may have negative implications for Intel's market dominance in microprocessors," said Eli Segal, an analyst at S.G. Warburg & Co.

The advent of RISC technology gives other companies entry into the microprocessor field and will help diminish the lock Intel and Motorola Inc. have on the field, he said.

There is also the potential for RISC technology to eventually find its way into personal computers, the market Intel currently dominates with its family of microprocessors.

RISC technology has significant benefits over the Complex Instruction Set Computing, or CISC, architecture which is widely used in Intel products, Mr. Segal said.

"The major advantage of RISC is speed and it is optimized to run Unix," Mr. Segal said.

Unix is a computer operating system popular in technical and scientific applications. Developed by American Telephone & Telegraph Co., it is emerging as a computer industry standard.

APPLE: Clouded Horizon

(Continued from first finance page)

Analysts, customers and employees are beginning to worry that Mr. Sculley's vision may be right for the future, but that he may not be paying enough attention to present needs.

Some speculate that Apple's recent wounds may have been self-inflicted by a company that took its eye off business fundamentals.

The mistakes are doubly embarrassing. They tarnished Apple's carefully cultivated image as a company removed from the ups and downs of the personal computer industry.

Worse, they have left the impression, at least for now, of a unsteady hand on the rudder.

Moreover, outsiders who are Apple loyalists say that the most serious damage may be that Apple may have unintentionally rubbed some of the magic off the Macintosh.

"The Macintosh had been an emotional purchasing decision," said Bruce Davis, president of Mediagene Inc., a Menlo Park, California, software publisher.

"By raising the price they forced people to rationalize their purchase decision. When people do that they find there are alternatives that are attractive."

For his part, Mr. Sculley shows no signs that he has lost confidence in his decision to tear Apple out of its treasured corporate mold.

As he is portrayed by Frank



John Sculley

Rose in "West of Eden: The End of Innocence at Apple Computer" to be published in March. Mr. Sculley tinkers with corporate organization charts with the same obsession that drives his engineers to make computers.

But Mr. Sculley still struggles with Apple's legacy, Mr. Rose said. The company is so deeply steeped in Silicon Valley mythology — it was founded in a garage by Mr. Jobs and Steven Wozniak, both college dropouts — that it has proven difficult for Mr. Sculley to acknowledge the obvious fact that Apple is now one of the nation's largest corporations.

"At the old Apple there was a certain naivete," said Mr. Rose. "People felt they were on a crusade, they were all in it together. That spirit is pretty much gone at Apple today."

WORLD STOCKS IN REVIEW / Via Agence France-Press

Amsterdam

Amsterdam stocks marked time last week in nervous trading over fears of higher interest rates. The ANP-CBS index finished at 164.2, up slightly from 163.2 the previous Friday.

Volume totaled 7,414 billion guilders, down from 6,099 billion guilders the previous week.

Philips NV gave a slight boost to the market, announcing higher than expected 1988 results and an unchanged dividend.

The insurer Nationale-Nederlanden NV announced a one-for-one stock split on Monday that will increase its share capital by 10 percent.

Pricing of the approximately 12.5 million new shares will be announced Tuesday.

Kempen & Co., the Dutch brokerage, expects the same nervous trend in share prices to continue, with normal volumes.

Interest rates grew stronger last week and stocks lost an average of 3.5 percent.

The Commerzbank stock price index finished the week at 1,614.5 on Friday, a drop of 45.8 from the previous Friday.

Volume on the eight West German exchanges totaled only 15.14 billion Deutsche marks, down from 17.51 billion a week earlier.

The Hang Seng index edged up 7.98 points for the week to finish at 3,114.23. The broader-based Hong Kong Index advanced 5.57 points to close at 2,057.86.

Trading started with a bang Monday when the Hang Seng posted a sharp gain of more than 50 points, but fell on profit-taking in the following days. A nervous reaction to a drop on Wall Street caused the Hang Seng to give back more than 35 points on Thursday.

The overnight increase of half a percentage point in prime lending rates by two leading U.S. banks triggered uncertainties over local interest rates and sidelined investors.

Average daily volume shrunk to 1.5 billion Hong Kong dollars from 1.8 billion dollars the previous week.

The Financial Times 100-share index closed Friday at 2,019.5.

Share prices fell on a series of British and U.S. economic indicators that prompted inflation worries.

The Bourse fell steadily last week, especially on Thursday, primarily because of fears of inflation and higher interest rates.

The CAC index fell slightly more than 2 percent for the week to finish Friday at 430.9. On Thursday it plunged to 431.7 from 445.9 on Wednesday.

Japanese share prices rose further last week with the Nikkei average finishing at a record high for the fifth week in a row.

The 225-stock index closed Thursday at 32,452.49 yen, up 279.10 yen from the previous week's record high of 32,173.39.

The Tokyo Stock Price Index of all stocks listed on the market's first section rose 13.91 points to 2,487.24, after losing 12.38 points the week before.

Markets were closed Friday for the funeral of Emperor Hirohito.

Brokers said stability on the currency and oil markets plus prospects of a further rise in March fueled support from institutions and individuals. Buying focused on domestic-related issues, led by the construction, steel, shipbuilding and paper-pulp sectors and large-capital shares.

Trading was heavy, with daily volume averaging 1.5 billion shares in the shortened four-day week, against the previous week's 1.67 billion shares. The value of stocks traded averaged 1.93 trillion yen, compared with 2.24 trillion yen the week before.

Analysts called the downturn a "technical correction" after the CAC's rise to 457.3 on Feb. 6 — just below its all-time record of 460.4, reached at the end of March 1987.

Market analysts expect prices to advance further, as brokers are expected to be more aggressive than ever in the traditional round of buying that precedes the closing of books at the end of March.

The Singapore stock market recovered from the previous week's fall of more than 26 points to post moderate gains. The Straits Times Industrial Index rose 5.28 points to finish at 1,135.21 Friday.

Volume rose to 301.8 million units from the previous week's 264.2 million units. Average daily volume was 60.4 million units.

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MONDAY SPORTS

SCOREBOARD

BOXING

Tyson-Bruno Fight

FIRST ROUND
Tyson went right to the attack and landed a right hand and a left. Bruno came down 14 seconds into the fight and was immediately taken out by a right hand. Tyson was awarded the fight by a technical knockout. Tyson was awarded the fight by a technical knockout.

SECOND ROUND
Tyson came out to the attack. He landed a right hand and a left. Bruno came down 14 seconds into the fight and was immediately taken out by a right hand. Tyson was awarded the fight by a technical knockout.

THIRD ROUND
Tyson came out to the attack. He landed a right hand and a left. Bruno came down 14 seconds into the fight and was immediately taken out by a right hand. Tyson was awarded the fight by a technical knockout.

FOURTH ROUND
Tyson came out to the attack. He landed a right hand and a left. Bruno came down 14 seconds into the fight and was immediately taken out by a right hand. Tyson was awarded the fight by a technical knockout.

FIFTH ROUND
Tyson came out to the attack. He landed a right hand and a left. Bruno came down 14 seconds into the fight and was immediately taken out by a right hand. Tyson was awarded the fight by a technical knockout.

Punch Statistics

	Tyson	Bruno
Total punches	202	170
Punches connected	89	37
Pct. connected	44	22
Knockdowns	1	0

Tyson's Record

1988
1st title: WBC Heavyweight, N.Y., N.J. KO 1
1st title: WBC Heavyweight, N.Y., N.J. KO 1
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Jul 11 John Anderson, Atlantic City, N.J. KO 1
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Jan 11 David Joz, Albany, N.Y. KO 1
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Jan 22 Larry Holmes, Atlantic City, N.J. KO 1
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Jan 27 Mike Tyson, Atlantic City, N.J. KO 1
Jan 27 Mike Tyson, Atlantic City, N.J. KO 1
Jan 27 Mike Tyson, Atlantic City, N.J. KO 1

Jan 30 Mike Tyson, Atlantic City, N.J. KO 1
Jan 30 Mike Tyson, Atlantic City, N.J. KO 1
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Finnish Flurry at the Nordic Championships

Marjo Matikainen of Finland works toward her record fifth medal at the championships, a bronze in the 30-kilometer freestyle event on Saturday in Lahti, Finland. Finnish skiers won a total of 15 medals, the most for any country at the meet (See Scoreboard). On Sunday, Gunde Svann and Torbjorn Mogren, both of Sweden, finished first and second in the men's 50-kilometer freestyle cross-country race. It was Svann's third gold medal. Jens Weissflog of East Germany was declared the winner of the 70-meter ski jump after fog and wind had forced the cancellation of the second round.

SATURDAY

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Chicago 10-18 13-15 33, Pleasant 7-17 5-8 19; Thorpe 10-15 5-5 25, O'Connell 9-20 4-4 24, Rebois: Houston 34 (Thorpe 17), Chicago 44 (Pleasant 12), Assistants: Houston 29 (Flynn 13), Chicago 24 (Jordan 8).
Philadelphia 11 37 32 15-15
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SATURDAY'S RESULTS

Acquiere 12-14 5-4 31, Demers 10-16 4-7 24; Richardson 7-12 4-7 20, Morris 7-12 2-2 10, Rebois: Detroit 28 (Morris 10), New Jersey 40 (Hansen 8), Assistants: Detroit 20 (Dumars 10), New Jersey 19 (Conner 10).
Sax, Antonio 29 32 35-113
Charlotte 25 15 34 25-124
Tribucko 12-12 11-40, Chomson 9-24 3-4 21; Richardson 12-25 4-7 28, Cambers 7-13 10-21; Rebois: San Antonio 45 (Richardson 12), Charlotte 44 (Ramirez 23), Assistants: San Antonio 39 (Maxwell, W. Anderson, M. Anderson 5), Charlotte 40 (Bogues 11).
Atlanta 24 31 14 26-95
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Harvard 108, Brown 91 (OT)
Pennsylvania 64, Columbia 41
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SOCCER

ENGLISH FIRST DIVISION

Armed 2, Luton 1
Aston Villa 1, Charlton 2
Derby 1, Everton 1
Middlesbrough 1, Coventry 1
Norwich 1, Manchester United 1
Sheff Wed 1, Tottenham 1
Sheff Wed 1, Tottenham 1
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WOMEN'S SUPER GIANT SLALOM

1. Heidi Wenz, Austria, 1:25.96
2. Heidi Wenz, Austria, 1:25.96
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WOMEN'S OVERALL STANDINGS

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HOCKEY

NHL Standings

W L T Pts GF GA
NY Rangers 22 12 7 51 125 100
Pittsburgh 22 12 7 51 125 100
Washington 22 12 7 51 125 100
New Jersey 22 12 7 51 125 100
Los Angeles 22 12 7 51 125 100

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McEnroe Beats Hlasek To Win Lyon

The 1989 French Open

LYON—John McEnroe, showing flashes of the brilliance that once made him the world's best tennis player, downed top-seeded Jakob Hlasek 6-3, 7-6 (7-5) on Sunday to win the \$291,000 Lyon Grand Prix tournament.

It was the 73rd career Grand Prix title for McEnroe, who was ranked No. 1 in the world from 1981-1984. Only Jimmy Connors with 107 titles, and Ivan Lendl with 74, are ahead of him.

McEnroe has climbed to No. 8 in the computer rankings, after failing to win the 20th. Hlasek is ninth. "The big advantage I have is that I have been there before," McEnroe said. "I know what a feels like."

After winning the first set of the singles match 6-3, McEnroe held off three set points in the second set, saving two of them on a brilliant service return and a defensive lob in the ninth game.

He faced set point again in the 10th game, but came to the net and forced Hlasek to hit a backhand long.

McEnroe, who turned 30 last week, batted back from a 5-2 deficit in the second set to lead 6-3, and served for the match. Hlasek then took advantage of two unforced errors by McEnroe to force a tie-break.

In the tiebreak, McEnroe jumped to a 4-1 lead and held on with volley winners and good service returns before Hlasek ended the match when he was unable to handle a sharp serve to his backhand.

McEnroe won \$52,200 for the singles title. Hlasek earned \$26,100.

Second-seeded Boris Becker won his second Grand Prix title in as many weeks, wearing down No. 3 seed Tim Mayotte 7-6 (7-5), 6-1, 6-3 on Sunday in the \$603,500 U.S. Pro Indoor Tennis Championships, The Associated Press reported from Philadelphia.

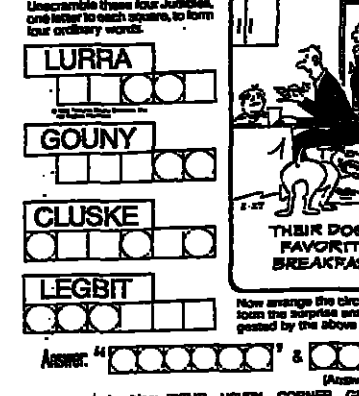
Becker earned the \$123,800 top prize by winning five straight games from 1-3 in the final set. Despite making his 12th double fault of the match, Becker doubled the lead 4-3 in the third set with a serve that Mayotte forked out in a dazed game. Then, in the eighth game, Mayotte hit the net with an attempted passing shot from backcourt to lose his service and fall behind 5-3.

Becker's ability to make sharply angled shots and make Mayotte reach for the ball contributed to the final game, which Becker won by serving out at love. He reached match point with an angled shot that Mayotte forked out into the net. Becker then served sharply and Mayotte again with a forked out into the net.

DENNIS THE MENACE



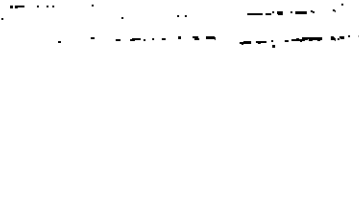
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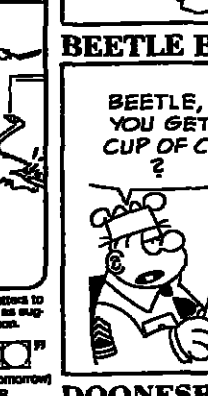
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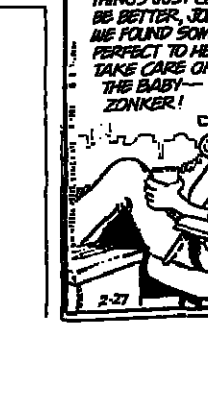
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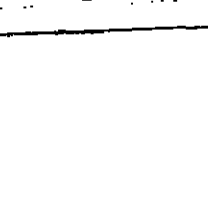
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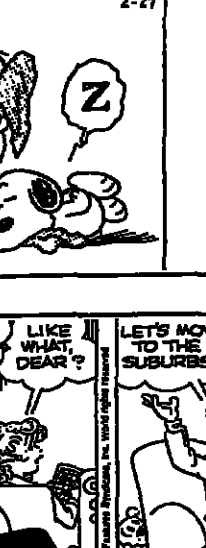
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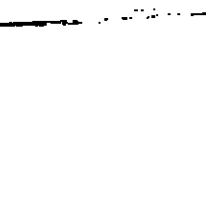
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REX MORGAN



GARFIELD



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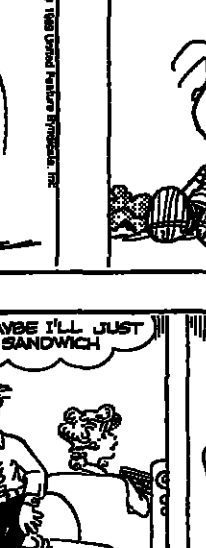
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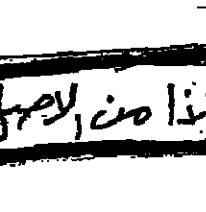
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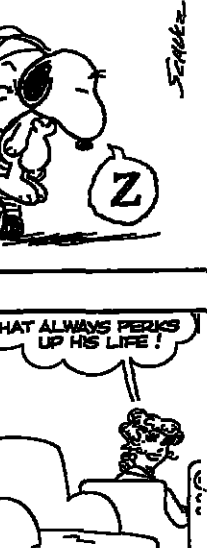
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GARFIELD



Dallas Cowboys Sold and Landry Fired; Miami's Johnson Taking Over as Coach

Compiled by Our Staff From Dispatches

DALLAS — A millionaire oilman from Arkansas took control of the Dallas Cowboys on Saturday and immediately fired Tom Landry, the coach with the third highest number of victories in the history of professional football. He was replaced by the University of Miami coach, Jimmy Johnson.

Jerry Jones, who played offensive guard for the University of Arkansas 25 years ago, bought the Cowboys from H. R. "Bum" Bright for a reported \$130 million to \$150 million.

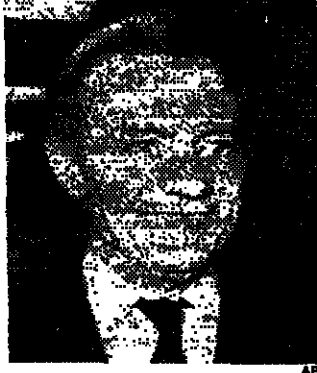
Bright bought the Cowboys for \$80 million five years ago, when his oil, real estate and banking holdings were secure. Facing various financial problems, he had been trying to sell the team for a year.

In naming Johnson head coach of the team, Jones said he would not have bought the Cowboys unless his former college teammate had accepted the job.

Moments after concluding the deal in Dallas, Jones flew to the Austin, Texas, state capital, with the president and general manager of the Cowboys, Tom Schramm, to tell Landry that he had been removed from his job. Both Jones and Schramm said they came away emotionally shaken from the meeting at Landry's summer home.

"It was very, very sad," said Schramm, who will retain his title with the Cowboys but is expected to lose some of his power. "It's tough when you break a relationship that has lasted for 29 years."

Schramm's voice cracked as he made his remarks. "That's a long



Jerry Jones: Arkansas oilman.

time. I think Tom was emotional." Jones, the owner of an oil and gas exploration company, said: "It was the most inadequate that I have ever been in my life. If you grade that conversation for Jerry Jones, you would have to give me an F."

Jones, 46, said that he would like Landry to stay with the Cowboys in some capacity, although he did not make clear what he meant. "There is one man missing at this new conference, and that is Tom Landry," Jones said in Dallas. "He may eventually be like that big gorilla you hear about. He may be able to do anything he wants (with the Cowboys). I think Jimmy Johnson will tell you this himself. Jimmy couldn't carry Tom Landry's water bucket."

Johnson did not appear at the news conference. He flew back to Miami on Saturday.

Landry, 64, is one of the most

acclaimed coaches in National Football League history, with a regular-season record of 250 victories, 162 losses and 6 ties. The club recently fell on hard times, managing only a 3-13 record last season. (See Scoreboard)

But under Landry the Cowboys had a 20-year stretch in which they had winning records each season and made the playoffs 18 times. Dallas has played in five Super Bowls, winning two.

Landry, interviewed by telephone, said: "I just didn't want to leave the Cowboys when they were down. I at least wanted them to get into a respectable position before anyone else took over."

A few weeks ago, Landry introduced two new assistant coaches, and said he had brought them in with the promise that he would coach the team into the 1990s.

Johnson, 45, planned to return to Dallas soon to take over as the second coach in the team's history. As for Schramm, questions remain as to whether he will stay on with the team he helped build into one of the most prestigious franchises in the country.

Jones made it clear he would take part in every phase of the operation and that he, not Schramm, would cast the Cowboys' vote at NFL meetings. Schramm had represented the team at all NFL meetings.

Although Jones said Johnson had yet to decide on his staff and wanted to talk to Landry's assistants, changes are expected.

Jones also said the Cowboys would draft the UCLA quarter-

back, Troy Aikman, with their No. 1 pick in the upcoming NFL draft. Jones spoke at the news conference as if he were giving a pep talk. "There is no substitute for winning," he said. "I know that is a cliché. But we will win. Winning is the name of the game."

"I have a friend I have known for 25 years. My friend is going to join us with the Cowboys, and what he brings to the table will bring more than if we had five first-round draft picks and we had the last five Heisman Trophy winners."

"There will be nobody with the Cowboys who doesn't give as big a piece of themselves as Jimmy Johnson."

The heavy-handed way in which Jones cast Landry aside came as a shock to the team's fans.

But Bright, who allegedly has not put a penny into the Cowboys organization for the past year and brought about debts that the club has yet to repay, urged Dallas fans to look to the future. "This is a new generation," he said.

Jones said he took exception to being remembered as the man who fired Landry. "There is no way to understand the feeling, the magnitude of the feelings I have for him," he said. "You can't love the Cowboys without loving Tom Landry."

"I am more concerned about Tom than I am any backslash (from Dallas fans). But I have been very candid about the Cowboys from the first time I began talking to them. I said if I go into football, Jimmy is going with me. We have to do what we have to do."

(UPI, NYT, AP)

No. 1 Oklahoma Falls to Missouri, 97-84

The Associated Press

Missouri, ranked seventh in The Associated Press college basketball poll, took command in the second half to defeat No. 1 Oklahoma, 97-84, on Saturday in Columbia, Missouri.

Byron Irvin scored 34 points for Missouri, which won its 16th

TOP-20 BASKETBALL

straight game at home and improved its record to 23 victories and 6 losses overall and 9-3 in the Big Eight. Oklahoma fell to 24-4 overall and 10-2 in the conference.

Greg Church and Gary Leonard fueled the run that carried the Tigers to a 58-48 lead with about 15 minutes left to play.

Oklahoma, which got 26 points from Stacy King, missed clinching its second straight Big Eight title.

Georgetown 63, St. John's 55: In New York, Charles Smith and Alonzo Mourning each scored 14 points as No. 3 Georgetown won the Big East regular-season championship with a record of 22-3 overall and 12-2 in the conference.

Georgetown led 40-27 at halftime, but the Redmen closed within 53-52 with 4:12 left on a three-point play by Robert Werdman. Mourning was fouled as he hit a hook shot, and his three-point play gave the Hoyas the cushion they

needed until they hit five of six free throws in the last 37 seconds.

St. John's dropped to 14-11 overall and 5-9 in the conference.

Indiana 75, Minnesota 62: In Minneapolis, Jay Edwards and Todd Jallow scored 17 points each as No. 4 Indiana handed Minnesota its first loss at home in 12 games. Joe Hillman scored 15 points, including a basket that started a 17-4 run late in the game. Hillman added another basket during the drive while Jallow had five points and Eric Anderson, who finished with 14, had four.

Indiana boosted its record to 23-5 overall and 13-1 in the Big Ten. Minnesota fell to 14-10 and 6-8.

North Carolina 100, Clemson 86: In Chapel Hill, North Carolina, the No. 5 Tar Heels took over first place in the Atlantic Coast Conference as Steve Bucknall scored a career-high 30 points.

North Carolina, 24-5 overall and 9-3 in the conference, is a half-game ahead of North Carolina State. Clemson, 16-9 and 5-7, got 23 points from Derrick Forrest.

South Carolina 77, Louisville 73: In Columbia, South Carolina, John Hudson of South Carolina stole the ball from Tony Kimbro and drew a foul with one second left to stop No. 8 Louisville. Hudson scored 20 points, while Pervis Ellison of Louisville, who had 17, fouled out with 3:31 remaining.

South Carolina improved to 16-9 overall and 6-4 in the Metro Conference, while Louisville dropped to 19-7 and 9-3.

Michigan 92, Wisconsin 76: In Ann Arbor, Michigan, Glen Rice scored 20 of his season-high 38 points as No. 13 Michigan hit 70.8 percent of its shots in the first half. Rice made his first nine shots, including six of his seven 3-pointers. The Wolverines moved to 21-6 overall and 9-5 in the Big Ten. Wisconsin fell to 7-7 and 16-7.

Seton Hall 84, Providence 80: In East Rutherford, New Jersey, Andrew Gaze hit all six of his 3-point shots and scored 22 of his 26 points in the first half to lead No. 15 Seton Hall. John Morton also had 26 points as Seton Hall climbed to 23-5 overall and 10-5 in the Big East. Providence is 17-8 and 6-8.

Stanford 60, Oregon State 58: In Corvallis, Oregon, Howard Wright had 21 points and Adam Keefe sank two of four free throws in the final 48 seconds as No. 16 Stanford lifted its record to 23-5 overall and 14-3 in the conference. Oregon State is 19-6 and 11-5.

Louisiana State University 88, Nevada-Las Vegas 87: In Baton Rouge, Louisiana, Ricky Blanton hit a 3-point shot from the baseline with four seconds left to defeat No. 18 Nevada-Las Vegas. The victory raised LSU to 20-8, while Nevada-Las Vegas dropped to 20-7.

St. Mary's (California) 63, Portland 41: In Portland, Oregon, Robert Hangan scored 20 points and had eight rebounds to lead No. 19 St. Mary's. The Gaels shut out Portland for nearly seven minutes in the first half on the way to lifting its record to 24-3 overall and 12-2 in the conference. Portland sank to 2-25 and 2-12.

Ball State 76, Eastern Michigan 63: In Muncie, Indiana, Curtis Kidd scored 25 points, four of them during a 13-0 run in the first half, giving No. 20 Ball State its first Mid-American Conference title in seven years. Ball State is 23-2 overall and 12-2 in the conference. Eastern Michigan is 14-11 and 6-8.

Arizona 77, Duke 75: On Sunday in East Rutherford, New Jersey, Sean Elliott scored 24 points and No. 2 Arizona needed a missed free throw with one second left to beat No. 9 Duke and set up a probable return to the No. 1 spot.

Syracuse 89, Kentucky 73: On Sunday in Syracuse, New York, forward Stephen Thompson scored 13 of his 27 points in a second half surge that carried No. 6 Syracuse past Kentucky. Syracuse wiped out a three-point halftime deficit, outscoring Kentucky 26-15 during a nine minute span midway through the second period, then shut the door on the Wildcats with a 15-4 burst to finish the game.

SIDELINES

Girardelli Wins Super-Giant Slalom

WHISTLER, British Columbia (Combined Dispatches) — Marc Girardelli of Luxembourg won the final World Cup men's super-giant slalom of the season on Sunday. Girardelli, who has clinched the World Cup overall title, finished the 39-gate course in 1 minute, 39.84 seconds. Lars Roerje Eriksson was second in 1:40.29, while Pirmin Zurbriggen of Switzerland was third in 1:40.59.

On Saturday, Rob Boyd of Canada won the final men's World Cup downhill of the season, finishing the course in 2 minutes, 10.03 seconds. Boyd now has three career World Cup downhill victories. (See Scoreboard)

In Steamboat Springs, Colorado, Sigrid Wolf of Austria, a 1988 Olympic gold medalist, ended a slump Saturday by winning the final women's World Cup super-giant slalom of the year. The 1988 Olympic gold medalist had a time of 1 minute, 18.97 seconds on the 35-gate course. (UPI, AP)

U.S. Gains Semifinal Berth in Soccer

RIYADH (AP) — The United States upset Iraq, 2-1, on Saturday to move into the semifinals of the fifth World Youth Soccer Cup championship. It was the farthest a U.S. team has ever advanced in an international soccer competition.

In other quarterfinal games played Saturday in four Saudi Arabian cities, Brazil beat Argentina 1-0; Nigeria topped the Soviet Union 5-4 (5-3) on penalty kicks, and Portugal downed Colombia 1-0.

Sprint Speed Skating Records Set

HEERENVEEN, Netherlands (AP) — Igor Zhelezovsky of the Soviet Union and Benita Blair of the United States set overall point world records Sunday to win the World Sprint Speed Skating Championships. Zhelezovsky won three out of four events over the weekend and equaled the 1,000-meter world record on Saturday on his way to the gold medal. The Soviet finished first in the men's standings with a total of 145,945 points. Uwe-Jens Mey of East Germany was second with 147,285, and Andrei Bakhtvalov of the Soviet Union finished third with 147,285.

Blair, who won the 500 meters on Saturday and Sunday, totaled 159,435 points, edging defending champion Christa Luding of East Germany, who finished with 159,600.

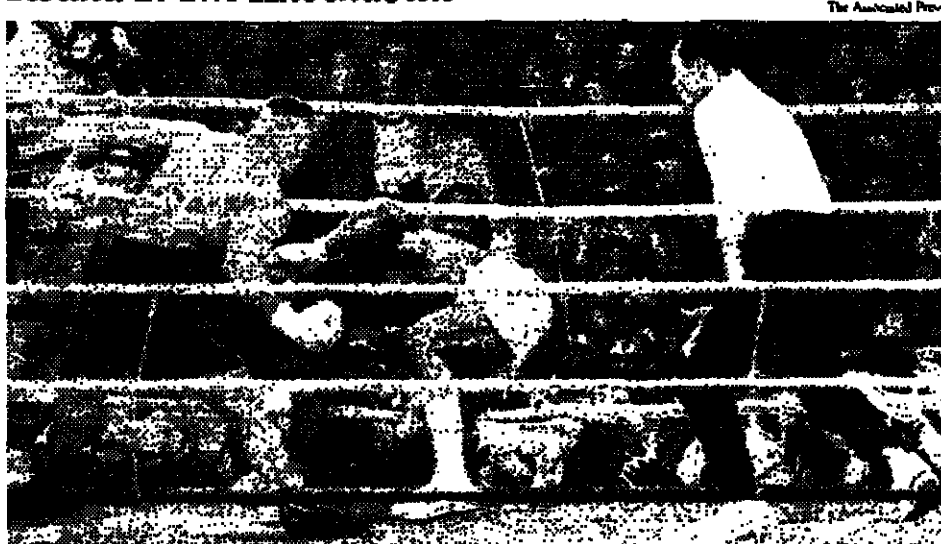
For the Record

Orjan Blomquist of Sweden broke from the lead pack in the final kilometer Saturday to win his second straight American Birkebeiner cross-country ski race in Cable, Wisconsin. Blomquist, 31, became the first man in the race's 17 years to repeat as winner, finished the 53.5 kilometers in two hours, 19 minutes and 33.8 seconds, less than half a second ahead of Konrad Hallenbarter of Switzerland. (AP)

Wade Boggs, third baseman for the Boston Red Sox, won the dismissal of a major part of a multimillion-dollar lawsuit filed against him by his former girlfriend, his lawyer said Sunday. A California appeals court panel said that it had ruled in Boggs' favor by ordering a lower court to drop one section of the lawsuit, the lawyer said. Margo Adams was seeking punitive damages for emotional stress she says she suffered when Boggs told the FBI that she was trying to extort money from him. (UPI)

Roberto Duran of Panama retained his World Boxing Council middleweight title Friday by defeating Iran Barkley in a 12-round split decision in Atlantic City, New Jersey. Duran, 37, showed little power but was able to withstand Barkley's punches as he lifted his record to 85-7. Barkley dropped to 25-4. (UPI)

Round 1: The Knockdown



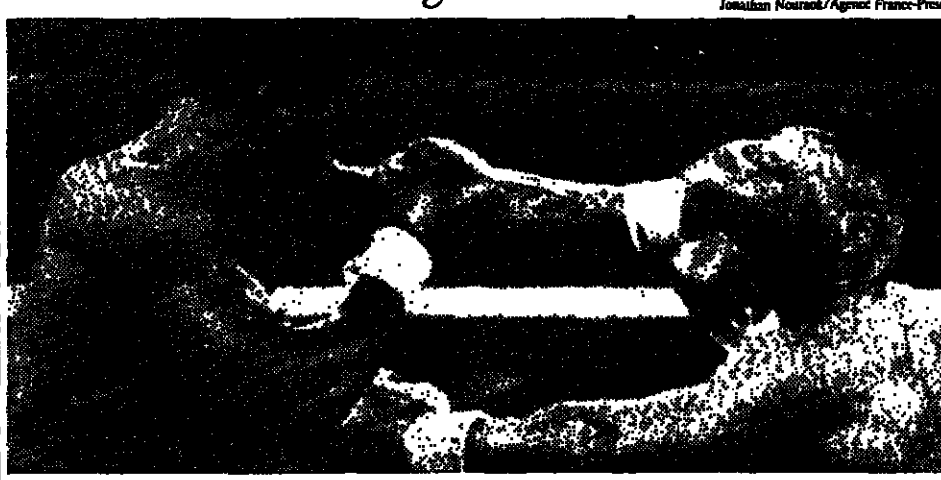
Round 2: The Comeback



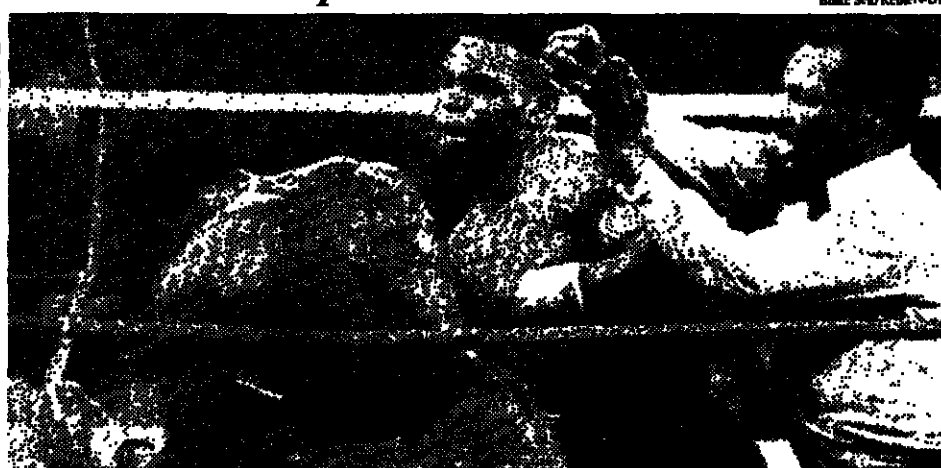
Round 3: The Power Play



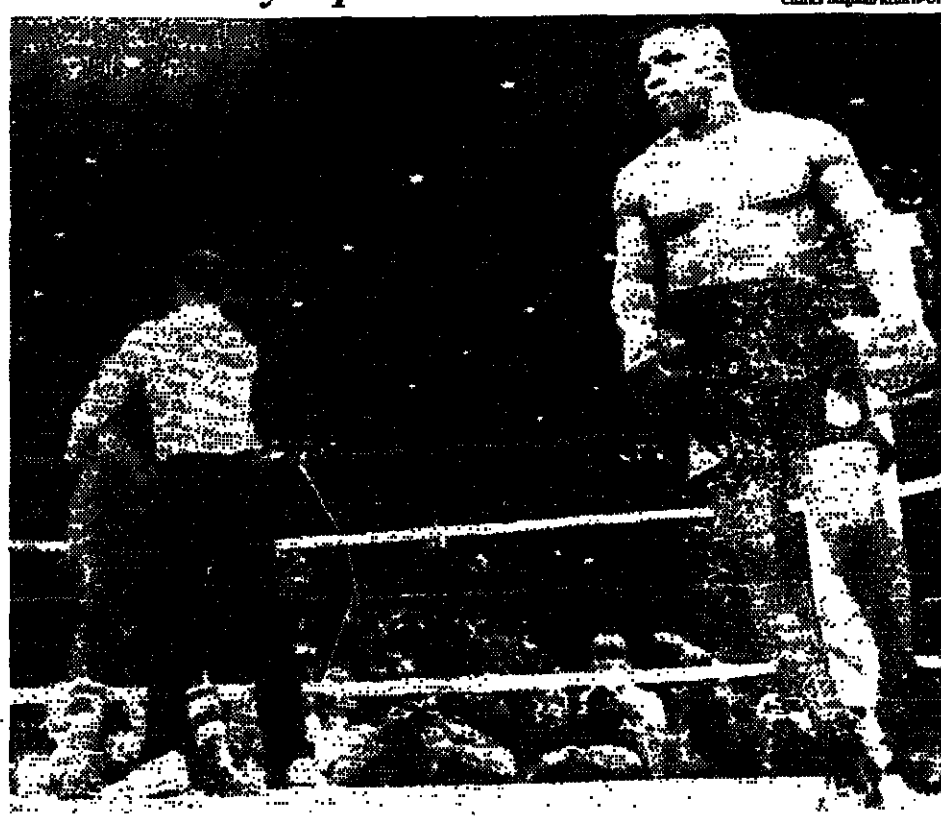
Round 4: The Weakening



Round 5: The Coup de Grace



And the Victory Lap



Tyson's Power Is Too Much

TKO in 5th Stops British Challenge

By William Gildea

Washington Post Service

LAS VEGAS — After a tumultuous eight months outside the ring, Mike Tyson finally got to do on Saturday what he likes best. He did not fight his best, but it was good enough.

Frank Bruno of Britain was big (228 pounds, or 103 kilograms) and courageous enough, and even surprised Tyson with his staying power. But the 22-year-old heavyweight champion wore down the challenger and finished him in the fifth round with a barrage of punches that left Bruno bleeding and helpless against the ropes.

The referee, Richard Steele, stopped the fight at 2:55 just as

See Scoreboard for full fight summary and Tyson's record.

Bruno's manager, Terry Lawless, ran along the ring apron with a towel, about to throw it in.

The battering Bruno took silenced the chorus of "Bruno, Bruno" from about 2,000 British fans in the Hilton Center.

"I wish I had had more time to train," Tyson said afterward. "I could have used more time to train psychologically. But I had to deal with what I had."

He said he knew "it could be a long fight" when Bruno got up quickly from a right to the head. "I looked at him and he had his English pride up."

The 6-foot-3 (1.91-meter) Bruno tried to use his 11-inch advantage by holding Tyson behind the neck with his left hand, while clubbing with his right.

"He was strong," said Tyson. "It felt like my neck was going to come off."

The holding tactics enabled Bruno, a 9-1 underdog, to last longer than most expected. Steele penalized Bruno a point in the first round — but it did not matter.

Bruno occasionally scored, too, as hard as anyone has hit him, Tyson admitted.

But Tyson landed by far more blows and, "from the third round," he said, "I saw him gradually weakening."

Tyson continued pressing with combinations, even forearms and elbows to the face. Bruno did well to remain upright after a left and right to the head midway in the third round. Deftly, he warded off a right-hand blow with both gloves in front of his face.

By late in the fifth round Bruno was bleeding heavily from the nose. "A hook to the body started his trouble," said Tyson. "He didn't hit back after that."

Midway through the round, Tyson hammered Bruno with three hooks to the head and grazed his jaw with a forearm. Tyson measured Bruno on one side of the ring, but the challenger ducked away to the other.

Then, against the ropes with 30 seconds to go in the round, Tyson caught Bruno with the body blow and unloaded a barrage of left uppercuts and a final right hand to a virtually motionless Bruno.

It was Tyson's 32d knockout in his 36-fight career. But he confessed that it had not been "vintage Mike Tyson."

"I tried my best," Bruno said. Asked if the fight had been stopped too soon, he said: "Not really. He beat me fair and square. There's no excuses. I would like to fight him again."

But he added: "Mike Tyson is a human being like anybody else. He's a very young human being and a very, very good fighter, but he still bleeds."

Bruno had been out of the ring 16 months, waiting for Tyson through five postponements.

"The layoff hurt," he said, but he made no claim that the outcome would have been any different had he had a tune-up fight.

As it turned out, it was the hardest \$8 million gross Tyson ever earned. Bruno, who has won 32 bouts and lost 3, grossed \$3.6 million and won admiration for managing to go almost five rounds.

"It was a very difficult fight," said Tyson. "I'm just glad to win it and go home."

Who's next for Tyson? Likely prospects include Buster Douglas, who has a promotional tie with King; Jose Ribalta, knocked out by Tyson in 10 in 1986; the ever-available Carl "The Truth" Williams; and Francesco Damiani in Milan. Eventually, Evander Holyfield may get a chance.

Praise for Bruno

Bruno was hailed as a hero by British boxing fans Sunday, The Associated Press reported from London.

"If he had not been up against such a great fighter, we might not have our first heavyweight world champion this century," John Morris, secretary of the British Boxing Board of Control, said.

"He showed all the knockers (detractors), who said he had no right in the ring with Tyson, that they were utterly wrong," Morris said. "He was a credit to us all," said Bruno fan Mike Davies, who went to watch the fight at a local cinema a few miles from the challenger's Hornchurch, south-east England, home. "We couldn't have asked for anything more. And thank goodness, he's all right."

Griffith Joyner Retires, Her Track Glory Intact

By Michael Janofsky

New York Times Service

NEW YORK — For the third time in a week, Florence Griffith Joyner cried in public — but it likely will not happen again for a long time.

At a news conference in a midtown hotel on Saturday, she announced that she was retiring from track and field to devote more time to writing and acting.

Al Joyner, her husband and coach, sat beside her, wiping her tears when she whispered, "I am retired from track and field."

In a way, it was the end of two careers. Griffith Joyner had been running in some fashion for more than 20 years, winning a share of events and honors, including a silver medal in the 200-meter dash at the 1984 Olympics.

Then last summer she became Flojo, a runner the world had not known before. She competed in bizarre outfits with one leg covered to the ankle, the other bare. That would have been unusual enough were it not for the world records.

First to go was the 100-meter mark with a time of 10.49 seconds in the Olympic trials, clipping 27-hundredths of a second off the record. At the Games in Seoul two months later, she lowered the 200 standard by 37-hundredths, to 21.34 seconds, and won three golds and a silver.

Griffith Joyner is 29, not that old for a sprinter. In recent weeks, she talked about new horizons, the 400 meters. The grand plan was to break the world record within two years, then retire.

But the more she and her husband talked about the 400, the more they realized how much time she would need to train.

Meanwhile, opportunities were piling up. Her success at the Olympics pushed her into a commercial mainstream, with offers to do commercials, movies and television.

Not only was training becoming an impossibility, so was her writing. She had been doing it for years, specializing in children's stories,



Tearful 'Flojo' says goodbye.

poetry and greeting cards. Publishing was one of her goals.

As the weeks passed, pressure built. The first public hint came over a week ago in Portland, Oregon, where the U.S. Olympic Committee honored her as female athlete of the year.

She broke down during her acceptance speech as she was saying how gratifying her career on the track had been.

A few nights later, she was in New York to receive another honor, the Jesse Owens Award, given annually to an athlete who symbolized success, courage and dedication the previous year. As she accepted the award, she stopped again to cry.

Back in their hotel room after the dinner, she and her husband talked. She hated this. But she knew she could not avoid it much longer. It was time. He agreed.

And so she sat before the cameras again, trying to keep her composure. "From now on, I have decided to run on a different track," she said at one point.

And she did well until she spoke about moving on "with the sense of sadness and joyous anticipation." Her voice cracked, her eyes welled up. A sentence later, Flojo had moved on.

Luxury and Squalor In the Capital of Art

PARIS — "The commercial men, the dealer and the patron, really make the painter. His art does not make them. The critics, dealers and patrons have really entered, unconsciously for the most part, into a kind of partnership."

This summary of what could be today's art scene was in fact made in Paris in the 1890s, the effulgent moment when the

MARY BLUME

modern art market was born. After the battles and political crises of the 1870s, France in the '80s and '90s was in a mood to rebuild and consolidate and to build fine republican monuments. It was ready to become the world power in art. Genius in painting, a magazine article asserted, cannot succeed unless associated with businesslike qualities.

John Milner gives a view of this confident new world in "The Studies of Paris: The Capital of Art in the Late 19th Century" (Yale University Press). It was a world of salons and official art, overbearing but inimical to the artistic revolution that was going on at the same time: a world that was pompous and materialistic but still had space for the free-lance bohemians of George Du Maurier's "Trilby" (1894) who would cross the Pont des Arts, "stopping in the middle to look up the river towards the old Cité and Notre Dame, eastward, and dream of unattainable things, and try to utter them."

It was a world where models stood waiting to be hired by the gates of the Beaux Arts or near the Académie Colarossi in Montparnasse. Most of them were Italian: The old man would sit for Shylock or St. John or Job, the children were perfect, *puzzi*. Many artists lived in icy garrets, some held court in splendid studios. It was part of the job.

"In our epoch the painter is no longer the labouring artisan who locks himself away behind a closed door living in a dream," the critic Albert Wolff wrote in 1886. "He has thrust his head foremost into the bustle of the world and participates in the activity of elegant Paris."

The sunniest area was near the Parc Monceau, where streets were still named after painters: Rue Meissonier, Rue Edouard-Detaille — forgotten today, The Avenue de Villiers, Milner says, contained the densest concentration of art and wealth in Paris. "Paris pours in there, everyone pays a visit to his painter before going to the Bois," Albert Wolff wrote. "The stand-

ing of a painter can be gauged by the number of vehicles parked in front of his townhouse Fridays."

While most painters received on Fridays, the supremely fashionable Carolus-Duran received Thursday mornings at 58 Rue Notre-Dame-des-Champs, off the beaten path in Montparnasse. The studio was hung to the ceiling with his works, including copies of Rubens and Velázquez, and he was charming in a velvet jacket and fine shoes. He used his studio as a sales area and as his studio as his work.

Meissonier, the most expensive painter in Paris, lived in a baronial townhouse at 131 Boulevard Malesherbes, received almost every available public honor and carefully manipulated his market to keep demand, and therefore prices, high. It was said his signature was worth one million francs a year. "No, no, no," he once said, "it is a mistake to suppose that poverty is a necessary experience for the artist."

A department store owner bought a very small Meissonier for 840,000 francs. At the same time van Gogh thought, optimistically, that he might get 50 francs for a painting. "Certainly not much," he wrote, "but as far as I can see one must sell cheap to rise. . . . And mind, my dear fellow, Paris is Paris. There is only one Paris, and however hard living may be here, and if it becomes worse and harder even — the French air clears up the brain and does good, a world of good."

The art world was so formally organized that it had space both to contain and reject the great artists remembered today. In addition to the Beaux Arts, difficult of access, there were private academies such as the Académie Julian, founded in 1873 by Rodolphe Julian and attended over the years by hundreds of forgotten conventional painters as well as by Bonnard, Matisse, Derain and Léger.

The first Académie Julian was in the Passage des Panoramas, off the Boulevard Montmartre, and many branches followed. Students began by drawing from plaster casts, then moved to the life room. Celebrated artists such as Bongerou would come by to criticize their work and new students were subject to less ragging than at the Beaux Arts because they were, after all, paying customers, and the school a profit-making concern.

Changes were occurring in materials that would change the face of art: the new popularity of posters, lightweight equipment for *plein-air* artists, improved casting techniques for sculptors working in bronze.



Laying down her lyre, model takes a break in a Paris studio, circa 1900.

Hausmann's Paris was crying for decoration and sculpture thrived as it never would again. "The embellishment of Paris proceeded vigorously and critics spoke of 'statuomania,'" Milner writes. Rodin managed to bridge the official and creative worlds, the rest decorated the parks and squares of Paris with still-standing allegories that often looked as if they had been carved from silt, or made statues of frock-coated worthies for the fashionable tombs of Père-Lachaise.

Public commissions meant that an artist was reliable. Probably he had first shown at the Salon, an annual event since 1864. "I am going to try to explain to you why I exhibit at the Salon," Rodin wrote to his dealer, Durand-Ruel, in 1881. "In Paris there are scarcely fifteen collectors capable of liking a painter without the backing of the Salon. And there are another eighty thousand who won't buy so much as a poster unless the painter exhibits there. That's why every year I send two portraits, however small."

The entry is entirely of a commercial nature. Any, it's like some medicine — if it does you no good, it won't do you any harm."

The Salon increased the prestige of artists in general. By 1887 the Legion d'Honneur had been awarded to 202 painters and

83 sculptors and 29 printmakers, but to only 60 musicians. Over 5,000 works were shown, chosen by a jury of 40 artists who also had to decide how they should be hung, the worst fate being to be "piled" or hung near the ceiling. In addition to the Salon, there were many smaller salons of which the most famous was the Salon des Indépendants, founded in 1884 with Seurat and Signac as founder-members.

Milner's map and descriptions of the sections of Paris where artists lived gives an idea of how plentiful painters and sculptors were. On the Right Bank, in addition to the area around the Parc Monceau, their studios stretched from the Opéra to the high, and shiny, reaches around the new basilica of Sacré-Coeur. On the Left Bank, studios could be found near the Beaux Arts and the Luxembourg gardens, the outer reaches of Montparnasse, with its artists' *cités* or clusters of studios, kept a rural calm until well into this century.

Today the face of Paris has changed, as has its spirit. In the 1970s, when the massive Tour Maugre-Montparnasse complex was erected, no fewer than 500 studios were torn down forever. The entrepreneurial artist had been replaced by the entrepreneur.

LANGUAGE

Naming the Millennium Decade

By William Safire

WASHINGTON — A linguistic problem is rushing at us with each passing day. What are we going to call the decade after the decade of the Nineties? The Gay Nineties? The Roaring Nineties? The year 2000 will be the last year of this millennium. (That is spelled with two n's; any other spelling is a trade name. In Latin, *millē* is a thousand, and *annus* is related in its root to *annual*, "yearly," which also has the double n.)

The big New Millennium's Eve blowout should take place on Dec. 31, 2000, not 1999, but some yahoos will want to move it up a year.

When the decade after the 1990s ends, where are we? In the zeroes? The noughts? This is the sort of puzzle that most of us tend to put off.

The no-number decade is just the beginning of the problem. How do we count the years?

The first and most likely method is "Two thousand and one," like the title of the Arthur C. Clarke novel and movie. But some people will want to say "Two thousand one," dropping the *and* to save time and space. Others, caring nothing for short cuts, will choose "Two oh, oh one," speeding up the next year to "Two oh-oh two."

A fourth category, made up of people with fond memories of a great-grandpa who used to say he was born in "Aught eight" (1908), will opt impulsively for "Twenty aught one."

Give *aught* some thought. The word comes from the Old English *awit*, with the a meaning "ever" and the *wit*, later *light*, meaning "creature" — taken together to mean "anything whatever," as in "for aught I know." An *aught* may have had the *n* slide over to become a *naught*, a synonym for "zero."

Send your suggestions to Name That Decade, The New York Times Washington Bureau, 1627 Eye St., Washington, D.C. 20006.

Moneta was the cult title of the Roman goddess Juno, in whose temple coins were stamped out; that's where the word *money* comes from. The root of much evil, however, is in the modifiers of *money* — the adjectives that sow such confusion that you have to flip a coin to decide their meanings.

Penny money is clear: coinage. *Tight money* is equally specific: money that is costly to borrow, coming from a policy aimed at stifling inflation; the opposite is *easy money* or *cheap money*, when the money supply is increased by the central bank to commercial banks, and loans are available at low interest rates.

After easy, it gets hard: *Hard money* was originally specie, coin made out of durable metal, distinguished from paper currency. *Hard money* today, however, is the opposite of *soft money* or *soft dollars*.

To political reformers, ethical straight arrows and other go-gos (a century-old term based on "good government"), *soft money* is sinister. Before Robert A. Moxham, George Bush's chief fund-raiser, was confirmed as secretary of commerce, a New York Times editorial called on him to help in "clearing the air about the millions he raised in so-called 'soft-money' campaign contributions."

Soft money, in politics, is free of the restrictions imposed by the Federal Election Commission on local campaign. Unions and corporations may still

give as much as they want to assist their current drives and to publicize local and state candidates; individual fat cats are also free to contribute with no limit in these areas without embarrassing public identification, same as in days of pre-Watergate yore. Politicians, especially those running against entrenched incumbents, hail this system as free speech in action; groups such as Common Cause claim that it allows fat cats (a 1978 term based on *fat-fryer*, an 1888 description of food-raising) and faceless corporate entities undue influence.

"Soft money" abuses in the funding of presidential campaigns, wrote Robert Walters in *The Washington Times*, "have attained the proportions of a major national scandal." This is because national parties have been able to circumvent the limits on federally financed presidential campaigns by coordinating and targeting the soft money raised ostensibly for local use.

A New York Times editorial treated the phrase with severity in 1988: "Soft Money? No — Sewer Money." Many liberals have failed to join the movement to restrict this outside-the-limit fund-raising because, as the National Journal headlined during the Bush and Dukakis campaigns, "Soft Money is Closing the Gap for Democrats."

To financiers and stockbrokers, *soft money* — usually expressed as *soft dollars* — means something else. First, set aside *soft currency*: A nation's currency was once said to be *soft* when it was not pegged to a reserve currency or some official rate, but in an age of floating rates, that is no longer the way the world works. For our purposes, we can dispense with phrases like "the dollar is softening." That means demand for it is lessening or weakening, and the dollar's price in other currencies is becoming cheaper — in simple terms, it buys less.

The *soft dollar* that is the center of attention these days cannot be held lovingly in the hand or run happily through the fingers. It is the unprinted, unlimited currency of third-party barter, creativity and sometimes illegally assigning a value to a service not received and arranging for that value to be spent elsewhere. *Soft dollars* are the currency of the cushion-sock.

"I realize there is a fixed [commission] price here," says a fictional customer in a 1979 *Fortune* article by Carol J. Loomis. "I want to know how to pay the bill. But since I think I am overpaying for this particular merchandise — after all, it is not pretty cheap to process my big order — I want to assign the excess dollars to other firms, for services they're rendering me." The customer knows the securities dealer is making a big profit on his transaction, and wants a part of that profit returned. He seeks a partial rebate — the euphemism is *rebate* — payable to somebody else in kind of real, or "hard," dollars.

The Securities and Exchange Commission finds some forms of soft-dollar discount bargaining acceptable, but draws the line at payments unrelated to investment decisions. "Soft-dollar arrangements are one way of capturing more commission business," writes McGraw-Hill's Securities Week, rejecting quotations marks in favor of hypensetting the phrase used adjectivally. "But in the end the business can end up causing problems if it is not handled correctly at the back-office level." ("In the end . . . can end up.") "Back-office level?" That's soft editing.

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